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INDEPENDENT

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THURSDAY 5 OCTOBER 1995

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FIVE CLASSIC HOLIDAYS FOR TWO TO BE WON
See page 25 for details

SECTION TWO

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OJ professes love for dead wife as lawyers squabble

TIM CORNWELL
Los Angeles
RUPERT CORNWELL
Washington

"People don't seem to understand that I loved that woman," were OJ Simpson's first words to the world yesterday after he was acquitted of the murders of his ex-wife, Nicole, and her friend, Ronald Goldman.

a producer at Cable News Network, which had covered most of his trial live. He was very happy, but "I haven't really had a chance to breathe," he was quoted as saying.

reporters to a jazz band to women protesting against domestic abuse, kept vigil outside the former football star's estate, struggling for a glimpse of him.

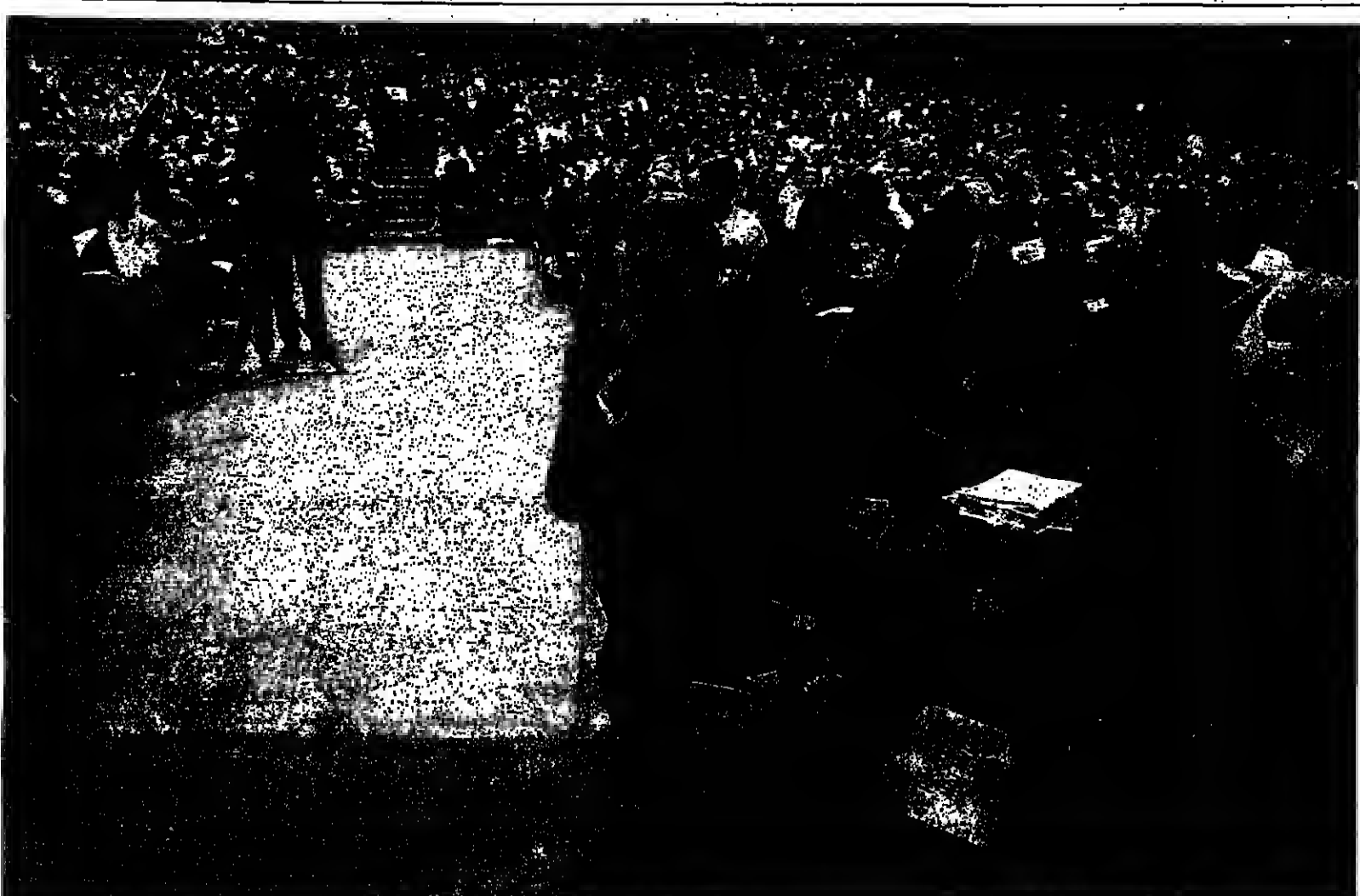
American disagreed with the "not guilty" verdict, returned by a jury in only four hours after a nine-month trial. He still faces civil law suits from the victims' families, and negotiations with the parents of Nicole over the return of the couple's children, Justin, seven, and Sydney, nine.

terday told ABC television: "I will not talk to F Lee Bailey again." He said he did not think the man who - at least until Johnny Cochran's advent on the scene - was the most famous trial lawyer in the country should even have been in court.

All along Mr Shapiro, who is Jewish, insisted that race was not a factor. "But not only did we play the race card, we dealt it from the bottom of the deck."

After a frantic media chase to the homes of the 12 jurors in the trial, only one - Lionel Cryer, a 44-year-old black telephone company representative - talked in any depth about their stunningly quick decision. The first vote by jurors on Monday morning reached a 10 to 2 verdict in favour of acquittal, he said.

card had not impressed the jury. But at every turn the defence had undermined the credibility of police evidence. The most damaging witness, he said, was Dr Henry Lee, a defence pathologist who called into question the prosecution's DNA evidence.



Time out: Roy Hattersley, the former deputy leader, who made his first speech from the floor in 20 years yesterday. Photograph: John Voos

Blair backed over opt-out schools

DONALD MACINTYRE
Political Editor

Tony Blair, the Labour leader, yesterday secured an impressive victory over Labour critics of his policy on opt-out schools - only to face a further test for "new" Labour when the conference divides today on a motion to scrap the Trident nuclear submarine programme.

Mr Hattersley, in what would have once been the implausible role of darling of the party's left wing, received a standing ovation after calling for a concerted drive against the country's remaining 150 grammar schools and declaring: "For God's sake let's stop apologising about comprehensive schools."

schools would be absorbed into a new category of "foundation schools" which Mr Blunkett, who was also given a standing ovation, emphasised would be

have the right to vote on whether to retain them. Mr Blunkett scorned those who "believe that they and they alone are the custodians of the Holy Grail".

Meanwhile party managers averted one possible defeat today when the national executive decided not to call today, because of lack of time, two motions seeking a cut in defence spending to the West European average. The executive had voted at the weekend by 14 to 7 to oppose the call. But managers feared a close vote on a unilateral motion to scrap Trident, which could be used to undermine Mr Blair's projection of Labour as the "patriotic" party.

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prohibited from any form of selection, academic or social, by interview or examination. Parents in the catchment areas of existing grammar schools would



Archdeacon: 'Ambushed'

Archdeacon ousted in a very religious coup

ANDREW BROWN
Religious Affairs Correspondent

The Venerable George Austin, the best-known opponent of women priests in the Church of England, is the victim of a coup mounted against him by two of his fellow archdeacons.

five of the three archdeacons of the diocese of York, but is in danger of being forced out because his colleagues, the Ven Christopher Hawthorn, Archdeacon of Cleveland, and the Ven Hugh Buckingham, Archdeacon of the East Riding, have refused to endorse his appointment.

of their decision until after the deadline had passed for him to have a second chance of remaining on the Synod - by standing as a candidate for election by all his fellow clergy.

appoints to the Church Commissioners. He will be forced to vacate these positions if he is not appointed as representative of the three archdeacons of the diocese of York.

Church of England. "They behaved in a way you wouldn't behave to your worst enemies. It is the sort of thing you would expect in Fleet Street but not in the church of Jesus Christ. The whole thing is disgusting."

IN BRIEF

Nuclear test 'deal'
France carried out its second nuclear test after securing agreement from Jacques Santer, the European Commission President, that the Commission would not use European law to stop the tests, according to a diplomatic memorandum seen by the Independent. Page 15

Knight's trial halted
A police investigation into claims of "improper collusion" between journalists and witnesses was ordered after a judge halted criminal proceedings against Geoffrey Knight, lover of the EastEnders actress Gillian Blyth, because he would not get a fair hearing. Page 2

Sex abuse 'cover-up'
The Irish Catholic Church faced new claims of covering up sex abuse by members of its clergy with the revelation that £250,000 damages had been paid to a former altar boy who alleged he was the victim of extreme sex assaults between the ages of 9 and 11. Page 4

Teenage Triad recruits
Teenagers from British gangs are being recruited by Chinese "Triad" gangsters to help run their criminal empires, a conference of senior police officers was told. Page 6

Comoros coup crushed
French troops landed in the Comoros Islands, an archipelago in the Indian Ocean, and overthrew a six-day coup led by the 66-year-old former French mercenary, Bob Denard. Page 16

COMMENT

News Analysis: Can the NHS afford its expensive new drugs? Page 19

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Leading article: "Croatia should be told that it can expect no political favours or economic concessions unless the guilty are brought to justice." Page 20

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HAND DRAWN BY THE LANDLORD.

THE CHARLES WELLS FAMILY BREWERY BEDFORDSHIRE, EST. 1876.

news

Papers face inquiry after trial collapses

RHYS WILLIAMS
Media Correspondent

A police investigation into claims of "improper collusion" between journalists and witnesses in a criminal trial was ordered yesterday by the Solicitor General, Sir Derek Spencer.

The move followed the decision by the trial judge, Roger Sanders, to halt proceedings against Geoffrey Knights, the lover of the *EastEnders* actress

Gillian Taylor, because "unlawful, misleading, scandalous and malicious" pre-trial reporting meant he would not get a fair hearing.

Judge Sanders told Harrow Crown Court that a "grave abuse of process" by the media had forced him to "stay" Mr Knights's forthcoming trial on wounding and assault charges. This is believed to be the first time "adverse publicity" has been successfully cited as the

sole reason for ordering criminal proceedings to be "stayed", a legal term meaning the case will never be heard.

Sir Derek also directed that the case papers be sent to the Attorney General, Sir Nicholas Lyell, so that he could then consider contempt of court proceedings against the editors of the *Sun*, *Today*, *Daily Mail*, *Daily Mirror*, *Sunday Mirror*, the *People*, *Daily Express* and *Daily Star* newspapers.

Mr Knights, who has had a stormy on-off relationship with Miss Taylor, was charged with causing grievous bodily harm with intent to Martin Davies, the actress's driver, on Easter Sunday this year outside the couple's home in Whetstone, north London. He also faced an alternative charge of unlawful wounding, but had denied both counts at an earlier hearing.

Following Mr Knight's arrest

and police charges, the tabloid Press ran a series of reports carrying accounts of the alleged attack on Mr Davies and of alleged previous violent behaviour towards Miss Taylor.

"From then on what one would have expected to be treated as sub-judice became an opportunity for certain newspaper editors to take it upon themselves to try Mr Knights in their columns without giving him a hearing," the judge said.

After hearing pre-trial submissions from both sets of counsel last Friday, Judge Sanders told the court in a highly critical, eight-page judgement yesterday: "I have absolutely no doubt that the mass of media publicity in this case was unfair, outrageous and oppressive."

"I also believe that there are grounds for instituting proceedings against the editors concerned and there is an urgent need to investigate the pos-

sibility that certain journalists have colluded with and suborned prosecution witnesses."

A Mirror Group spokesman denied that any of its titles had published stories with a substantial risk of serious prejudice to the Knights case.

Paul Dacre, editor of the *Daily Mail*, said the newspaper took the Contempt of Court Act very seriously and would be "defending our position vigorously".

Reports were 'like a hate campaign'

RHYS WILLIAMS

Newspapers are in breach of the 1981 Contempt of Court Act if they publish material that carries a "substantial risk of prejudice" to a fair trial. Lawyers said yesterday that the only risk some elements of the press considered when deciding what to publish was whether or not they would be prosecuted.

Judge Roger Sanders ruled yesterday that the reporting in national tabloids following Geoffrey Knights's arrest last Easter for assault bordered on developing into a "hate campaign".

Once Mr Knights had been charged, the *Daily Mirror* ran an account of the alleged incident by the supposed victim, Martin Davies. *Today* and the *Sun* also carried accounts of the alleged attack, while the *Daily Mail* ran an interview apparently with Gillian Taylor about her life with Knights. In it, the writer, Lynda Lee-Potter, mentioned an assault on the soap star, along with Mr Knights's previous convictions - despite the fact that Miss Taylor was a main prosecution witness.

The *Daily Express*, *Star* and *Sunday Mirror* also ran pieces either about the alleged incident, the couple's stormy relationship or Mr Knights's past history. Much of this would have featured in his trial.

After granting Mr Knights his legal costs, the judge added: "I was tempted to consider making a wasted costs order against the individuals of the press I have named."

"However, I think it will deflect against the real matter... They are in peril of far greater penalties than I can impose."

While Judge Sanders is techni-

cally correct, lawyers believe that newspapers flagrantly ignore the law's contempt of court provisions secure in the knowledge that the Attorney General will not bring proceedings.

Last year, the Taylor sisters' conviction for murder was quashed by the Court of Appeal after it decided that it would have been impossible for the jury not to have been influenced by prejudicial and inaccurate press reporting of the trial.

This summer, however, the Attorney General refused to bring contempt proceedings against the newspapers concerned.

Anthony Scriven, QC, a former chairman of the Bar, said it was the Attorney General's past failure to enforce the law that had led to falling standards in the media.

"The present Attorney General, unlike his predecessors, has continually refused to take action in the clearest possible cases of contempt," he said.

"This decision [in the Knights case] is a direct result of the Attorney General's inaction. If you have got an Attorney General who is determined not to antagonise the press or the media, nothing will happen and standards will continue to slip."

Mark Stephens, the solicitor who acted for the Taylor sisters, welcomed Judge Sanders' ruling as "a strong judgment by a brave judge".

He added: "If we find ourselves in a position where trials cannot go ahead, justice will not be done and guilty people will walk free... We're now seeing a greater and greater slide towards cross-examination of evidence and issues in a case, the presumption of guilt in the body of newspaper reports and that's the problem."

Keith Mathieson, a partner at the law firm Oswald Hickson, said: "Certain tabloids seem to say 'God the risk to the trial, what's the risk we'll be prosecuted'."

However, Sir Derek Spencer, the Solicitor General, strongly rejected suggestions that the Attorney General had failed to uphold the law and warned the press not to try to push the boundaries of what could be reported.

"It is absolute nonsense to say that the Attorney isn't upholding the law. If the media do feel that they can push back the boundaries of the Contempt of Court Act 1981, they are making a big mistake and they will end up in court."



Out of the shadows: Stella Rimington speaking in London yesterday

HEATHER MILLS
Home Affairs Correspondent

Stella Rimington, the head of MI5, yesterday spelled out the security service's credentials for its planned move onto the traditional policing territory of organised crime.

Speaking in London, she said the ease and speed of modern communications and travel, and the weakening of border controls, made it inevitable that organised crime, such as drug trafficking and money laundering, would continue to grow.

Countering the threat successfully would require similar methods to those employed in counter-terrorism, she said.

detailing how MI5 had, for the past 25 years, co-ordinated intelligence work against both IRA and Loyalist groups in Britain and Europe - "with 'rarely visible' success."

The Government has agreed to allow MI5 to expand its role into fighting organised crime, representing a victory for the MI5 director-general who, since the IRA cease-fire, has been

negotiating for an anti-crime role for officers previously used on anti-terrorist work.

Mrs Rimington employs about 2,000 full-time staff and has an annual budget of £150m.

Chief constables are understood to have agreed the move but are determined to restrict MI5 to a supporting role. Sir Paul Condon, the Metropolitan Police Commissioner, said re-

cently that there was great strength in exploiting the talents - and powers - of all agencies. But lawyers and civil rights campaigners are concerned about MI5's lack of public accountability and the culture of secrecy that engulfs the service.

Addressing the English Speaking Union last night, Mrs Rimington said that economic espionage, terrorism, and the

proliferation of mass-destruction weapons - as well as organised crime - were seen as the major threats to national security in the post-Cold War world. Increasingly, MI5 was forging links with other governments and their intelligence agencies to share information on mutual concerns - such as international terrorist activity.

But the new order also "created conditions which encourage the growth of... 'organised crime'", Mrs Rimington said. She added: "This phenomenon is comparatively new. In many countries, including the UK, its impact and seriousness are still being assessed."

MI5 chief goes public to clarify crime strategy

UN set to investigate Gibraltar shootings

HEATHER MILLS

Another embarrassing investigation into the SAS killing of the three IRA terrorists in Gibraltar is threatening to engulf the Government, this time by the United Nations.

The families of the three are asking the UN's special rapporteur on "extra-judicial, summary or arbitrary executions" to investigate the 1988 killings.

The move will further infuriate ministers, still outraged at last week's condemnation by the European Court of Human Rights, which concluded that the killings were unlawful and

that the trio could and should have been arrested.

While the rapporteur, Bacre Waly Ndiaye, does not have binding judicial powers, a damning UN investigation would be very damaging to a government anxious to defend its human rights record.

It is almost certain he will agree to the inquiry. He is already looking into three individual killings in Northern Ireland - including the loyalist shooting of the solicitor Pat Finucane, a case in which it has been suggested that the terrorists were acting in collusion with intelligence personnel.

The families of the Gibraltar IRA unit have turned to the UN, because they maintain that - despite the Strasbourg judgement - a "cover-up at the highest level" has still blocked a thorough investigation.

The use of Public Interest Immunity certificates - effectively gagging orders signed by ministers - has prevented investigation into anything other than the immediate events leading up to the killings on the Rock. The longer-term planning of the operation by military and security service intelligence, including a crucial meeting of ministers which sanctioned call-

ing in the SAS, have never been examined - either by the inquest into deaths or by the human rights judges. The families maintain it would disclose a pre-planned plot to kill the three - a scenario ruled out by the European Court.

Neither has anyone heard evidence from the Spanish police whose account of tailing the three to the border and, effectively, handing them over to the British authorities, flatly contradicts the official account that one of the three Sean Savage drove what was believed to be a "bomb car" on to the Rock unnoticed.

Ever since Savage, Mairead Farrell, and Daniel McCann were brought down in a hail of bullets on 6 March 1988, doubts over the official version of their deaths have haunted the Government.

Ministers had hoped that the European Court would have the last word on the matter. But it now seems certain to rumble on.

Yesterday, Niall Farrell, brother of Mairead, said: "We simply want the whole truth. The UN, we hope, can get to the bottom of this scandal, which we firmly believe leads to the heart of the British Establishment."

German court agrees to Leeson extradition

DAVID HELLIER

A German court yesterday approved the extradition to Singapore of Nick Leeson, the former Barings futures trader, to face 11 charges connected with the bank's collapse.

The decision by the Frankfurt Regional Court does not mean immediate extradition for Mr Leeson but it looks increasingly likely now that he will eventually face trial in Singapore.

Yesterday's decision still has to be reviewed by the German government in Bonn and Mr Leeson's lawyers have made it clear that they will appeal to the German Federal Constitutional Court.

The Frankfurt court, as expected, yesterday upheld Mr Leeson's extradition on three charges of forgery, two of defrauding Barings Futures Singapore and six of defrauding the Singapore International Monetary Exchange. The court dismissed a charge of falsification of documents, ironically the one on which Mr Leeson was first held when he was arrested in Germany in March.

The Frankfurt public prosecutor, Hans-Hermann Eckert, said the court had considered



Legal blow: Nick Leeson

Singapore's legal standards and had received a report from the German Embassy.

Mr Eckert held out little chance of the defence being able to block extradition to Singapore. "The chances not to go to Singapore are very small," he said. He said that his view was that Mr Leeson was certain to get a fair trial in Singapore.

Stephen Pollard, Mr Leeson's UK solicitor, said he was obviously disappointed by the decision of the German court. "There are clear grounds of appeal against the decision to extradite in respect of at least eight of the remaining charges," he said.

"This appeal will be pursued by way of reference by the Fed-

IN BRIEF

Two held over £8m drugs haul

Police claimed a major breakthrough in tackling the illegal trade in the "sleeping death" drug Temazepam yesterday after the seizure of £8m worth of capsules.

Officers from the South-east regional crime squad said the 2 million yellow "jellies" found in a lorry on a trading estate near Heathrow were probably destined for Glasgow. Two men were helping with inquiries.

Cancer cure award

A British biochemist at the forefront of the battle against cancer will receive the £120,000 Yvette Mayent prize in Paris today from the Curie Institute. Professor David Lane, of Dundee University, discovered protein p53, which is thought to hold the key to a cure.

Supercar theft

A £1m prototype car stolen from a motel car-park off the M2 was recovered in Gillingham, Kent, minus its trailer. The Renault Safrane supercar was being transported from France to Peterborough for tests with a specialist technology firm.

Shug pellet poisoner

A man who admitted trying to poison his former girlfriend with shug pellets was jailed for 18 months. John Mullins, 39, of Ralmond, Cornwall, broke into 21-year-old Anna Wharmore's home and put granules of the blue pellets into food and drink.

Spiders shut school

Children at Bembridge primary school on the Isle of Wight were sent home after pest control officials were called in following an invasion of slightly poisonous *steatoda nobilis* spiders, from the Canary Islands.

Shooting error

A man was arrested for attempted murder after calling police because he feared raiders were stealing files from his home in Aldington, Kent. He mistakenly opened fire with a shotgun on officers who responded. Two officers were treated for shock and a patrol car was damaged.

Tourist record

Britain's summer heatwave drew 2.62 million overseas visitors in July - beating the previous record of 2.58 million in August 1994, the International Passenger Survey provisional statistics showed.

Smoked out

A teenager caught smoking against regulations on a National Express coach was told to get off - 100 miles from home. John Iles, 15, of Mangotsfield, Avon, was dropped outside a police station in Walsall, West Midlands.

THE INDEPENDENT ABROAD

Austria	£5.00	Belgium	£5.00
Canada	£14.50	Denmark	£14.50
France	£14.50	Germany	£14.50
Greece	£14.50	Ireland	£14.50
Italy	£14.50	Japan	£14.50
Netherlands	£14.50	Norway	£14.50
Portugal	£14.50	Spain	£14.50
Sweden	£14.50	Switzerland	£14.50
USA	£14.50	UK	£14.50

OVERSEAS SUBSCRIPTIONS
For rates, 13 weeks: Europe £11.75; Zone 2 1993: £14.50; Zone 3 1993: £14.50; Zone 4 1993: £14.50; Zone 5 1993: £14.50; Zone 6 1993: £14.50; Zone 7 1993: £14.50; Zone 8 1993: £14.50; Zone 9 1993: £14.50; Zone 10 1993: £14.50; Zone 11 1993: £14.50; Zone 12 1993: £14.50; Zone 13 1993: £14.50; Zone 14 1993: £14.50; Zone 15 1993: £14.50; Zone 16 1993: £14.50; Zone 17 1993: £14.50; Zone 18 1993: £14.50; Zone 19 1993: £14.50; Zone 20 1993: £14.50; Zone 21 1993: £14.50; Zone 22 1993: £14.50; Zone 23 1993: £14.50; Zone 24 1993: £14.50; Zone 25 1993: £14.50; Zone 26 1993: £14.50; Zone 27 1993: £14.50; Zone 28 1993: £14.50; Zone 29 1993: £14.50; Zone 30 1993: £14.50; Zone 31 1993: £14.50; Zone 32 1993: £14.50; Zone 33 1993: £14.50; Zone 34 1993: £14.50; Zone 35 1993: £14.50; Zone 36 1993: £14.50; Zone 37 1993: £14.50; Zone 38 1993: £14.50; Zone 39 1993: £14.50; Zone 40 1993: £14.50; Zone 41 1993: £14.50; Zone 42 1993: £14.50; Zone 43 1993: £14.50; Zone 44 1993: £14.50; Zone 45 1993: £14.50; Zone 46 1993: £14.50; 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OJ SIMPSON: THE AFTERMATH

Children may be returned to their father

TIM CORNWELL
Los Angeles

The family of Nicole Brown Simpson signalled yesterday that they may be prepared to return Justin Simpson, seven, and Sydney, nine, to the care of their father, rather than subject them to a bitter legal tug-of-war.

Lawyers for both sides were talking about a reunion and a possible joint custody agreement.

After his acquittal on Tuesday, OJ Simpson made it clear that he intended to ask for custody of his children. "My first obligation is to my young children, who will be raised in the way that Nicole and I had always planned," he said in a statement read by a son from his first marriage, Jason.

The fate of the two children is now an emotive issue, promising to be the latest poignant episode of the OJ Simpson soap opera.

They were upstairs sleeping when Nicole and her friend, Ron Goldman, were brutally murdered in a bloody struggle in the grounds of her home.

While the family of the other victim, Ron Goldman, have made no secret of their belief that Simpson is guilty, Nicole's parents have been much more discreet.

Her father, Lou Brown, said he was prepared to "assimilate" with the father of his grandchildren. "A reason a lot can be overlooked is the children," he said. "The children are our lives."

The Brown family are still party to a civil law suit filed against Simpson for damages from their daughter's death, but its fate is uncertain.

They would "pack those kids' bags and, with all the class and dignity they have, send them back... They did not disparage OJ... They will come home to a father that they love," a family friend told the *Los Angeles Times*.

However, Nicole's mother, Juditha Brown, said yesterday that she did not expect Mr



Flowers on Nicole Brown Simpson's grave yesterday

Simpson to reclaim the children immediately. "He would like to get acquainted with the children again... I think he is reasonable enough to know that the children have a good life here, that they find strength and love in this house."

Ms Brown said that they had informed the two small children of the outcome as soon as they returned to their Southern California home.

"Yes, we told them 'Daddy's free'. They were happy. They love Daddy. We have never said anything negative about Daddy to them," she said.

"Our grandchildren now have a father that's a free man, whereas they have no mother regardless of her situation. But at least they have one parent to back up their life," Nicole's father added.

Legal analysts said that although Mr Simpson had been declared innocent of any crime, evidence from the murder trial could be introduced into a custody fight, and could weigh heavily against him.

That would include taped evidence of a violent abuse

recorded during emergency phone calls that Nicole made to the Los Angeles police.

Sydney and Justin have been living with their grandparents in conservative Orange County where Nicole grew up.

On visits to the local supermarket, the family called ahead to arrange for any tabloids and magazines which were carrying lurid coverage of the OJ murder case to be removed from the shelves.

The Browns were granted temporary custody of the children when Mr Simpson was first held in jail. In court papers, Mr Simpson's lawyers made it clear that he expected "to resume his legal and physical custody... upon his release from incarceration". Although Mr Simpson talked to the children once a week by phone, they did not visit their father.

Faye Resnick, a friend of Nicole's who wrote a sensationalist book about her life, apparently spoke for many family members when she said: "Oh God! Nicole was right. She said he was going to kill her and get away with it. He always said he was above the law."

Friends of the couple disagree about how much attention the children actually received before and after the couple broke up.

Nicole, who enjoyed the high life among the Los Angeles party set, used to drive the children around in a white Ferrari paid for by Mr Simpson, full of family litter, coins and toys. "That was the car... It just so happened that her station wagon was a Ferrari," said her sister Dominique Brown.

The children came up frequently in recorded telephone conversations between the Simpsons, revealed at the trial.

"Please leave, OJ. Please, the kids, the kids are sleeping," Nicole is heard saying in one call.

A voice identified as OJ's comes back: "You didn't give a fuck about the kids when you were fucking in the living room. Who cared for the kids then?"



On their way home: OJ Simpson with his children Sydney (left) and Justin after attending a funeral service for their mother

Police morale shattered by acquittal

Los Angeles - The officers of the Los Angeles Police Department, who apparently believed almost to a man that OJ Simpson was guilty well beyond reasonable doubt, were yesterday given the job of closing the streets and shooting off on-lookers as he paraded inside the walls of his Los Angeles estate, Tim Cornwell writes.

With detectives' morale shattered by the acquittal, the department faced calls for a new investigation of the murders of Nicole Simpson and Ronald Goldman. And in Washington the US Justice Department has promised to push ahead with investigating the allegations of police misconduct that were raised in the trial.

Los Angeles police were stunned and bitter over the verdict, believing that there was more than enough evidence for a conviction. But the only juror to give an extensive account of the jury's deliberations yesterday laid the blame squarely on doubts about the department.

"It was garbage in, garbage out," said juror No 6, Lionel Cryer, in an interview with the *Los Angeles Times*.

The jury felt that the police had such a bad track record that they could have set out to nail OJ Simpson at all costs, he said. In particular, Mr Cryer mentioned the claim made by Mr Simpson's defence that crucial blood samples had been contaminated.

It seemed that the allegations of institutionalised racism, which have dogged the Los Angeles police since the videotaped beating of Rodney King, had weighed heavily with the elder of the two white women on the jury, Anise Aschebach, 60.

Ms Aschebach thought that Mr Simpson had probably committed the murders, her daughter, Denise said. But "this was the only answer they could come up with because the involvement with [former Detective Mark] Fuhrman in the case somehow screwed up the evidence."

The Los Angeles police chief, Willie Williams, said yesterday that the case was "absolutely not an indictment of my depart-



Fuhrman: Former detective faces calls for investigation

ment. The results of this trial are not going to result in the rebuilding of the LAPD". The mayor, Richard Riordan, urged the city to look at officers who "protect and serve Angelenos with honour".

But black community leaders called on the district attorney to investigate Mr Fuhrman for perjury. Mr Fuhrman had pleaded his constitutional right to refuse cross-examination of his claim that he not used the word "nigger" in 10 years and his own boasts of tampering with evidence.

The defence suggested that the two senior officers, Mr Fuhrman and Detective Mark Vao Atter, were driven by racism to fabricate evidence against Mr Simpson, planting blood samples and a glove that were found at his estate.

"Mark Fuhrman confirmed what most African-Americans have felt right along and known all along," John Mack, the president of the Urban League, said. "In South-Central Los Angeles, too many Mark Fuhrmans have harassed and brutalised people," he said.

In media interviews, one police officer after another vented their frustrations in a department that has suffered one self-delivered blow to its prestige after another. "What's the point," said one. "Let's fold up the tent."

Verdict highlights racial split and puts legal system in dock

What the American papers said

Los Angeles Times
"Los Angeles wakes up today to an unsettling reality. It is a city in a nation so divided that we cannot even agree on what we all see when we look at the same picture... One of the more repellent reactions to the verdict was the loud cheering that erupted in the street outside."

DAILY NEWS
"The trial of the century has ended in the Tragedy of the Century. No amount of cheering, no celebrations, no parades can change that. Drowned out by the exultations is a much more telling sound: the sob of the victims' families."

The New York Times
"Whatever one thinks about the shockingly swift acquittal of OJ Simpson, this 'trial of the century' has left a stigma on criminal justice that could take years to repair... In the end, this will be remembered as a case that was disrupted by the police."

The Washington Post
"Those who were shocked by the verdict are likely to demand wholesale revisions in the criminal justice system. This is a dangerous suggestion at a time when emotions run high... The protections afforded defendants in American courts... exist to guarantee a fair trial to rich celebrities and common folk alike."

Richmond Times-Dispatch
"The verdict will undermine the belief in some in our criminal justice system - and for others it will restore a faith long lost... The jury was unprepared to convict a man it may have regarded as guilty. That is the system working - albeit in a different way."

RUPERT CORNWELL
Washington

President Bill Clinton is considering publicly addressing the issue of the racial divisions in America laid bare once again in the closing stages of the OJ Simpson trial.

The Simpson story might have been knocked from its perch on top of the news bulletins by the advance of Hurricane Opal on northern Florida, but the impact of the case on the already frayed racial fabric of the country may, in its own way, be no less threatening.

Poll after poll showed the jury's decision has done virtually nothing to reduce the gulf between the races' views about the guilt of the former football star. According to a CBS survey, six out of 10 whites believed the verdict was wrong, while nine blacks out of 10 considered it correct. Overall, the country disagrees with the verdict by a margin of 56 per cent to 33 per cent, a *USA Today* poll found.

Across the country afterwards, the scenes everywhere were the same: groups of jubilant blacks erupting into cheers, whites mostly sombre and stunned by disbelief. For blacks, the case has confirmed that only Mr Simpson's ability to pay for a top-flight defence team pre-

vented a "rush to judgement" against him; cynical whites are convinced that a jury containing nine blacks allowed itself to be swayed by racial factors.

That was rejected by the one juror who has spoken publicly so far, Lionel Cryer. Mr Cryer, who is black, said that race had been "barely a hiccup" in their decision, which was shaped by weaknesses in the prosecution's case. But on one point everyone is agreed: race relations have been damaged by the affair.

So much was evident in the statement from Mr Clinton, urging his countrymen to respect the jury's verdict. Officials say the President is considering an address urging harmony and reconciliation.

The other prime casualty of the case is the US legal system itself. The outcome, declared the *Philadelphia Inquirer*, "is bound to fortify the notion that justice is for sale in America, that a 'dream team' can get anyone off anything."

Poisoning everything is the majority's suspicion that a murderer has walked free. This is evident from bitter jokes making the rounds, among them a supposed new slogan for Hertz rental cars, which Mr Simpson once advertised: "We guarantee to get you to the airport with an hour to kill."

Case puts court TV on trial

STEPHEN WARD
Legal Affairs Correspondent

English lawyers may have shuddered at the television images of the OJ trial, but they draw different conclusions from what they saw.

One school of thought believes the trial showed that a media circus is the inevitable consequence of opening up courtrooms to television cameras, and that it is now unlikely to happen. The other view is that television is neutral, and what has been exposed are the deficiencies of Californian justice, not the effects of courtroom cameras.

Cameras are banned to courts in England and Wales. There was an experiment with a recorded trial in Scotland

this year, but the senior English judiciary is divided on the issue. The Master of the Rolls, Sir Thomas Bingham, favours an experiment in civil courts to encourage understanding of the way they operate. The Lord Chief Justice, Lord Taylor, opposes televising criminal trials.

Stephen Kay QC, secretary of the Criminal Bar Association, said yesterday that if cameras were allowed in English courts, there would be accompanying commentary, and the participants in the trial would have to have the right to explain their conduct. "Inevitably you would end up influencing juries with material from outside the courtroom."

He said there was already a problem with press coverage, but the effect of television on

people was qualitatively different from print. He added that the presence of cameras would affect the way people behaved giving evidence. "Even if it was not shown until after the verdict, somebody is going to be influenced by the thought that 10 million people will see them."

The Bar Council spent a year in the late 1980s studying the likely effects of televising trials, and recommended it should be tried, although for education, not entertainment. Jonathan Caplan QC, who chaired the investigation, said: "Television coverage of the OJ trial has probably been one of the better ways of keeping people informed of the daily progress." Television could not be ignored; it was the main source of news for 70 per cent of the popula-

tion. In Britain there would not be a media circus because the same contempt of court rules would apply to television which limit newspapers now.

"I agree television needs to be introduced with caution," Mr Caplan said. "The judge could kick out the cameras at any time if he decided they were not in the interests of justice."

The case has also raised the question of juries in complex cases. Mr Kay believes juries sometimes make decisions on conscience grounds, and that has to be accepted.

Another senior QC, Anthony Scriven QC, said the OJ jury's decision was perfectly reasonable on the evidence they had been given. "An English jury would probably have found him innocent too, on the evidence."

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news

Irish church hit by sex abuse cover-up claim

ALAN MURDOCH
Dublin

The Irish Catholic Church faced new claims of covering up sex abuse by members of its clergy with the revelation yesterday that IR£250,000 in damages had been paid to a former Dublin altar boy who alleged he was the victim of a series of extreme sexual assaults between the ages of nine and 11.

The damages, plus IR£65,000 in costs, were paid following a 1993 claim by Alan O'Sullivan, now a 33-year-old architectural draughtsman from the Navan Road area of north Dublin.

It was alleged that in the early Seventies he suffered a series of assaults including buggery, rape, extreme sexual perversion and violent sexual abuse inflicted by a former curate, Fr Patrick Hughes.

During one assault in the priest's house he allegedly strangled and almost choked the boy. When Mr O'Sullivan finally told his parents, his father approached church authorities who assured him the matter would be dealt with.

It is understood the priest was psychologically assessed by a consultant, but was judged fit to continue his ministry. Now in his

seventies, Fr Hughes has been living in a Redemptorist community in Dublin since 1993.

When the settlement was arranged, lawyers for the church maintained it had no "vicarious liability".

The latest case casts further doubt on the account given by the Archbishop of Dublin, Dr Desmond Connell, in an interview on Monday. Then, referring to the case of Fr Charles Payne who was loaned IR£27,500 by the church to pay a settlement of a civil sex abuse claim, Dr Connell said: "I had no precedent to guide me whatever. This had never come up before. Moreover, it hasn't come up since."

The newly-appointed Jesuit spokesman for the Dublin Archdiocese, Fr John Dardis, claimed yesterday that Dr Connell had been speaking solely about the provision of a loan from the diocese. This was borne out, he said, by the fact that Fr Hughes had had to pay his own settlement.

However, Mr O'Sullivan's solicitor, Julian Deale, highlighted the unusual speed of the settlement in 1993. His understanding was that he was dealing with the church itself, and had only come into contact

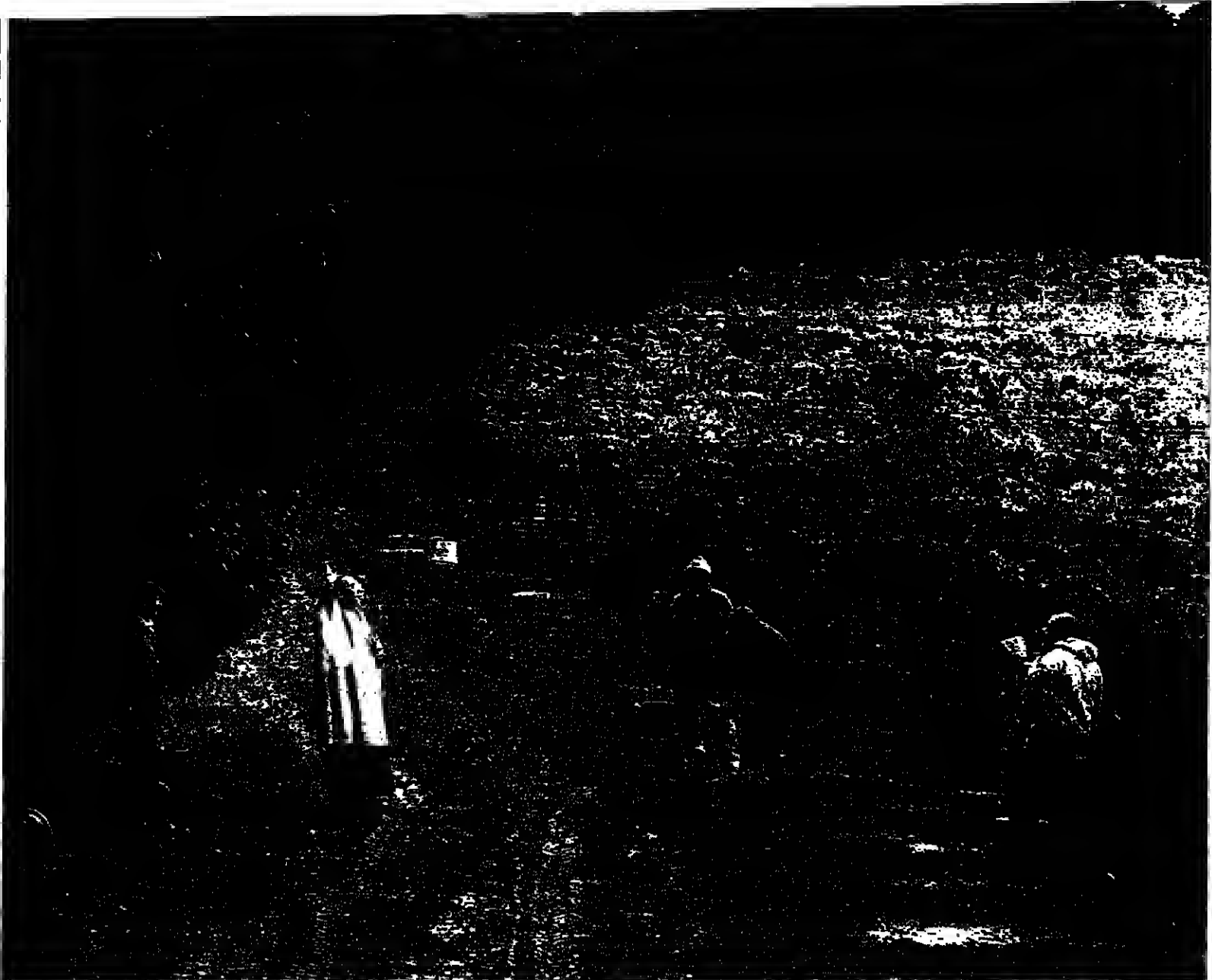
with Fr Hughes' solicitors at a late stage in negotiations.

In an interview in June 1993, Dr Connell said he had dealt with "three or four" allegations of sex abuse against priests in his diocese, none of which went to court, but declined to give any further details.

Fr Dardis said it was likely more cases of similar sex abuse would now come to light, given the US experience where initial revelations encouraged more victims to come forward. "I would expect quite frankly that there would be more allegations made. Based on experience in the US we're not through this yet. There will most likely be more."

According to the *Irish Times*, Mr O'Sullivan complained about the assaults to gardai in Cabra, north Dublin, who said later that the Director of Public Prosecutions had decided against proceedings.

In October the failure of the Attorney General's office to process a child sex abuse extradition application in the case of paedophile priest Fr Brendan Smyth led to the fall of the last Irish coalition. In a reorganisation of the office soon after, the senior legal assistant took early retirement.



A time to harvest: The Rev Robert Middlewick blessing the vineyard at Lamberhurst, Kent, for the start of grape picking yesterday. The owners are expecting the crop to be one of the best for many years because of the hot, dry summer. Photograph: Glynn Griffiths

Lamont challenges his neighbour to a duel

STEVE BOGGAN

Norman Lamont, whose constituency has been scrapped in boundary changes, will tonight begin a fight for political survival described by fellow Tories as "touch and go".

The former Chancellor will challenge his nearest neighbour, fellow Conservative Richard Tracey, to represent the new constituency of Kingston and Surbiton.

In a duel that began in friendship but threatens to turn sour, each of the MPs will try to convince a meeting of up to 1,000 paid-up Tory members that he is the best man to represent them in Parliament. Under Conservative Party rules, Mr Lamont, whose Kingston-upon-Thames constituency will cease to exist before the next election, is entitled to challenge for any seat that absorbs any part of his former territory.

That includes Kingston and Surbiton, but its majority in-

cumbent, Mr Tracey, declared himself "surprised" yesterday that Mr Lamont had chosen to take him on.

"All of my old constituency [Surbiton] is intact and its electorate forms 65 per cent of the new constituency," he said. "Norman is entitled to challenge for it, but I was surprised that he did. The closing date for applications was 6 September but I saw him on the 5th and he didn't even mention it."

"I've seen him several times since, but he hasn't said anything. We just don't talk about it. He's written to me now, but the whole thing is a bit unsettling."

Each man is considered popular in his own constituency, but Mr Lamont's open criticism of John Major and his support for John Redwood's summer challenge for the party leadership is proving to be a double-edged sword.

When rumours began circulating that Mr Lamont might ap-

ply for the new Vale of York constituency, one of its branch secretaries, Michael Bilton, was reported as saying: "Tony Blair has more chance."

In Surbiton, however, there was a strong anti-Major feeling during the summer which could stand Mr Lamont in good stead.

"There is so much apathy at the moment that it might persuade some people to vote for him," said Eunice Paxman, president of the Kingston and Surbiton Conservative Association. "At the time of the challenge, we were split over it but there was a big move for Mr Redwood. It may actually stand Mr Lamont in good stead."

"It isn't possible to say how the vote will go here but it will be touch and go. Both men are very popular."

If he fails to be selected, Mr Lamont may have to look elsewhere to secure his political future. His name has already been linked with a variety of seats across the country.

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Magazine crisis: Staff told to put up or shut up as 'absentee landlord' returns to take control

'New Statesman' charter torn up

CHRIS BLACKHURST
Westminster Correspondent

The crisis at *New Statesman* & *Society* will take another twist today when Philip Jeffrey, its socialist millionaire major shareholder, returns to take day-to-day control.

Speaking to the *Independent* from Cyprus, where he has been on holiday, before flying back to Britain, Mr Jeffrey offered no guarantees as to the future of the troubled magazine's staff and said he was tearing up its old hallowed constitution.

This followed last week's dramatic intervention by Mr Jeffrey, who for the past two years has acted like an absentee landlord, when he forced the resignation of its entire board. He took that decision after becoming fed up with newspaper reports that directors were putting together a refinancing package, one of the prices of which would be the removal of Steve Platt, his ally as editor.

"I will not finance a divided house any more. I will say to staff 'you can either work with me or get on your bikes'," he said yesterday.

Having put £600,000 in to the magazine two years ago to no profitable result, he is reluctant to spend any more. Instead, he is going to Brighton to the Labour conference to launch what he calls Operation Phoenix, attracting 1,500 investors offering £1,000 each to create a new *New Statesman*.

If he cannot persuade enough investors, Mr Jeffrey, who made his fortune from developing the FADS DIY chain, will make up the shortfall to the £1.5m estimated to be the cost of re-launching the magazine.

The title & *Society*, acquired when the *New Statesman*



Hot issue: Friday's edition nears completion. There are re-launch plans, to make the magazine 'more businesslike'

Photograph: Geraint Lewis

merged with *New Society*, will go. Also to be scrapped, according to Mr Jeffrey, will be the magazine's constitution, first drawn up by George Bernard Shaw, its founder, in 1913. "The old *New Statesman*, with a constitution written by Shaw and revised by John Maynard Keynes, is going."

In its place, he said, would be

a new, more business-like magazine, with a new set of rules. This could put Mr Jeffrey, who holds 49 per cent of the shares, on collision course with the other shareholders. Under its rules, the *New Statesman* has five trustees who hold special "E" shares guaranteed to protect editorial independence.

Since he announced he was

calling for the resignation of the board last week, three directors have left and the rest will tender their resignations at a board meeting on Tuesday. Brian Basham, one of the directors who was trying to drive through a series of reforms and a refinancing package, yesterday said he was unhappy with Mr Jeffrey's behaviour. Mr Basham

will resign next Tuesday but only with a lawyer present as a witness to ensure there is no misunderstanding over the reasons for his and the other directors' departures. Mr Basham said he was "very pleased Philip Jeffrey is at last taking over. It just irritates me he has chosen to do so in an egotistical and precipitate manner". Referring to

the way Mr Jeffrey defeated Derek Coombs, former Tory MP, to take control of the *New Statesman* in 1993, Mr Basham said that there was now "the paradoxical situation where a professional socialist and puritan wants to act in a more draconian and Thatcherite manner than even an ex-Conservative MP."

Briton claims hotel killing was self-defence

Singapore (Reuters) - A Briton accused of murdering a South African tourist and dumping his dismembered corpse in the harbour here told police he killed in self-defence, a court heard yesterday.

The defendant claimed a friend, whom he refused to identify, later disposed of the body, police said.

John Martin, also known as John Martin Scripps, faces the death sentence if convicted by the Singapore court of murdering brewery engineer Gerard George Lowe, 32. The prosecution alleges Mr Martin, used a false name checked in to the same hotel room as Mr Lowe on 8 March and later murdered him. Police said Mr Martin admitted he killed Mr Lowe just after he checked in to the room, which they had agreed to share to save money.

Mr Martin's written statement was read out in court by an investigating officer.

Mr Martin claimed the killing was an unpremeditated response to unwelcome homosexual advances, police said. He had said that Mr Lowe attacked him with his own camping hammer before dropping it on the floor.

"He then came towards me and I used the hammer ... to hit him several times on the head until he collapsed on to the carpeted floor," Mr Martin said, according to the statement. "I then panicked."

"Mr Martin, 35, said he visited a British friend at another hotel whom he later paid to clear up the mess.

"Some time later ... my friend returned and told me that there was nothing to worry about as he had already got rid of Lowe's body ... by throwing it into a river," Mr Martin said in the statement.

"On returning to my hotel room, I found everything neat and tidy," he said. "Mr Lowe's body was no longer there." Police said Mr Martin was asked to identify the friend and replied: "I cannot tell you his identity because if he knew he would harm my family back in Britain."

Police witnesses testified on Tuesday that when he was arrested, Mr Martin had several passports, two of which belonged to Canadians Sheila Mac Damude and her son, Darin, whose dismembered bodies were found in Phuket, Thailand, in March. Thai police have issued a warrant for Mr Martin's arrest.

Asked about the Canadians whose passports he was carrying, Mr Martin said that he had never met them. He said they had been given to him by his British friend.

Books 'speed up babies' development

WENDY BERLINER

Giving books to babies as young as nine months accelerates their development, concentration and ability to relate to others, according to preliminary results of research done in Birmingham.

The study, by Barrie Wade, reader in English and Education at Birmingham University, and Maggie Moore, senior lecturer at Newman College, also in Birmingham, is based on a continuing study of two sets of three-year-olds from a wide range of backgrounds.

One set came from a group of 300 families who three years ago took part in a one-off programme called Bookstart. They

were given material which included a child's book, tips on how to share a book with a baby and details of how to join the library.

The other set consisted of children born at the same time who did not take part in Bookstart. In all, 57 three-year-olds were monitored. Two out of five of the families gave books a low priority, most of them non-Bookstart families. Only one in 10 of this group gave books as presents - they were more likely to give sweets.

Dr Wade said: "Babies have enormous potential. They need intellectual stimulus as much as they need their nappy changing and the right diet."

Education, Section Two

Fading glory of a socialist beacon that cast its light around the world

1913: *New Statesman* founded and financed by George Bernard Shaw (right) and Sidney and Beatrice Webb to promote Fabian Socialism.
1940s: Magazine enters golden period with Kingsley Martin as editor and contributions from the likes of Bernard Russell, EM Forster and Neurath. NS is staunchly pacifist and anti-imperialist.
1957: Spring J B Priestley article acts as springboard for formation of CND.
1963: 50th birthday celebrations see socialist leaders around the world, including the Indian prime minister Nehru and Julius



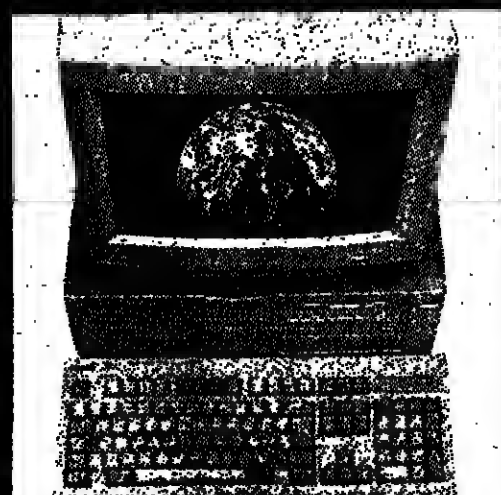
Nyerere, or Jaganmohan, paying tribute to NS's massive influence.
1966: Circulation peaks at 96,000 with NS required reading for liberal, left-of-centre intellectuals.
1970: Richard Crossman (right) becomes editor. Magazine starts to concentrate on internal Labour issues and wangles. Begins downward path.
1982: Bruce Page voted out of the editor's chair by the board after disastrous editorship.
1988: *New Statesman* with circulation down to 26,000 merges with *New Society* which has seen its circulation slump to 22,000.



Magazine now called *New Statesman and Society*.
1994: Staff in revolt over little known Steve Platt (right) into editor's chair, once occupied by Anthony Howard, Paul Johnson, John Reeman and Hugh Stephenson as well as Crossman and Martin.
1995: Socialist millionaire Philip Jeffrey beats Derek Coombs, former Conservative MP, for control of almost bankrupt NS.
1995: Jeffrey forces resignation of board and takes over day-to-day control and launches rescue plan.



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news

Chinese Triads recruit young British thugs

JASON BENNETTO
Crime Correspondent

Teenagers from British gangs are being recruited by Chinese "Triad" gangsters to help run their criminal empires, in a conference of senior police officers was told yesterday.

Detective Inspector Andrew Rennison, head of the Chinese intelligence unit within the Metropolitan Police, described four Triad societies which operate throughout the country, with strongholds in London, Southampton, Manchester, Northampton and Glasgow. He estimated that there were up to 200 core Triads, and predicted that the number of gang members would quickly rise if there is a large influx of people from Hong Kong when China takes over the colony in 1997.

However, a recent trend noted by his team was the recruitment of non-Chinese teenagers into the Triad movement. In a recent case, 20 members of a gang in Croydon, south London, aged from 13 to 15, were recruited by Triads through Chinese youngsters.

The teenagers, both black and white, had been used by the Triad in crimes, mainly centred in London's Chinatown.

"The teenagers enjoy the danger and are attracted by the gang's violent image," said DI Rennison.

Vietnamese and Malaysian young men from Britain were also being targeted. The British Triads, which have loose links

with Hong Kong gangs, are involved in a number of illegal activities within the country's 200,000 Chinese community, including gambling, vice, and illegal immigration and passport fraud. Protection rackets, loan sharking, credit-card fraud, counterfeiting and drugs also form a major part of the gangs' activities.

"We know who the leaders are, and the main players, but... witnesses are very difficult to come by and are usually frightened," said DI Rennison. In one case a witness was attacked and left for dead by a gang wielding meat cleavers.

Speaking at the Police Superintendents' Association of England and Wales' annual conference at Market Bosworth, Warwickshire, the Detective Inspector said the Triads encouraged their image of being extremely violent and organised to help them terrorise their own communities. However, they were often chaotic and loosely knit.

DI Rennison did not believe there would be a massive surge of new Triads coming to the UK after Hong Kong goes back to the Chinese. "Hong Kong is too big a gold mine to leave," he said. "The real threat comes from the domestic Triads."

Superintendent Mike Waldren, head of the Metropolitan Police firearms unit, said: "In some cases the conditions the instructors have to work under are difficult to say the least. One force has an outdoor range overgrown with trees and bushes."

"With the increase in the peace dividend, the MoD is shedding assets - that includes ranges. Range availability will reduce and this is a fact."

The importance of after-care for officers involved in shooting incidents was also stressed by DI Rennison. As a possible consequence of ignoring the problem, he pointed to a recent out-of-court settlement of £250,000, paid by the MoD to a soldier who brought a civil action against the Army for failing to provide support in dealing with trauma after the Falklands war.



Appliance of science: Charles Babbage's 19th-century Difference Engine No 1 was sold at Christie's in London yesterday for £176,750. His son Henry assembled this section from the original components. Its principles form the core of all modern computing. Photograph: Edward Webb

Cookson's romance fails to tempt students

LOUISE JURY

Her legions of fans have made her the most popular author in Britain's libraries. Sales of more than 90 million books have placed her among the country's wealthiest women.

So when Leeds University advertised its course on the social, historical and literary aspects of the works of the historical-saga writer Dame Catherine Cookson they thought they were on to a winner.

"She's a local writer and she's hugely popular," said Samantha Fielding, administrative officer for the university's department of adult continuing education.

For one afternoon a week for a term, the course was worth 10 credits towards 120 needed for the first part of a full university degree.

But only one person enrolled, and the course has been axed.

"The minimum number needed was 10. But if we can get enough we'll try again in January. We did it once before, last year, and got enough people then," Ms Fielding said.

But others were not convinced. AR Bevan, whose novel *The Seldons* was released under its initials by publishers who believed women would not buy romance from a man - said: "Comparing Catherine Cookson with, for example, 19th-century novelists might be interesting, but if all you have to do to get 10 credits is regurgitate the plots then it's not worth it."

Elizabeth Buchan, chairman of the Romantic Novelists' Association, said: "Romantic fiction contains some of the big novels like *Jane Eyre* and *Far From the Madding Crowd*, and it's a great



Dame Catherine Cookson: Traditional story-teller

tradition, but it's been hijacked by Mills and Boon... But to take Catherine Cookson as a complete lodestone would be mad. Her eloge-to-credit-card kind of feel is the stuff of traditional romantic fiction but she's not the whole story by any means."

Joanna Briscoe, who won the 1993 Betty Trask award for "traditional" or "romantic" fiction with her novel *Mothers and Other Lovers*, was "not surprised if only one person wants to take the course". She said: "I'm all for studying commercial fiction and I think we should certainly question our notions of what great writing is. But it's silly to choose one author."

Dame Catherine herself, however, was thrilled that Leeds was still hoping to get the course underway. She already receives letters from schools which use her books as a subject for study. "I think it's marvellous," the 69-year-old writer said. "I am a story-teller. I adore a good story."

Yardie gangster is jailed for 14 years

A "yardie" gang member who told a judge that he had been lured to Britain and "set up" in an armed robbery was jailed for 14 years yesterday.

Rohan Thomas, 37, was sentenced at Leeds Crown Court for his involvement in the "terrifying" attack at a warehouse party. A fellow gang member, Steven Crossdale, 27, of Herne Hill, south-east London, was jailed for eight years. Metropolitan Police informer Eaton Green, 28, received a six-year sentence after the court was told how the three men robbed guests at the party in Nottingham in May 1993. Cash, jewellery and mobile

phones were stolen from 100 people, who were lined up and threatened with guns. Green shot one of them in the foot to ally suspicions that he was an informer.

The court was told that Thomas had entered Britain in March 1993 under a false name and with a false passport. He had several convictions for violence in Jamaica and had been released from jail in 1992 after serving 12 years for shooting at a policeman.

Mr Justice Smedley told them: "The events of that night were extremely serious. It was a terrifying event and people were frightened for their lives."

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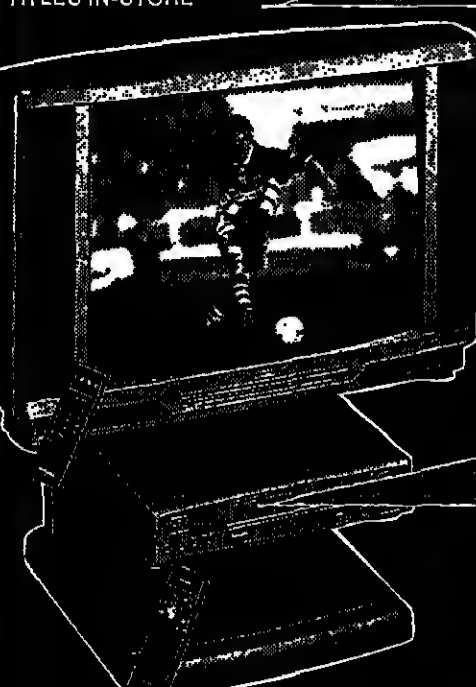
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Casino chief in test case over gaming licence

DAVID SPANIER

An unusual gamble opens in the High Court today, when Max Kingsley, former managing director of the most successful casino group in Britain, London Clubs International, tries to regain his personal gaming licence.

For the past three years, Mr Kingsley has been out of the game, so far as casino gambling in London is concerned.

Now he has secured a judicial review which will determine whether the decision by the Gaming Board of Great Britain to revoke his coveted "grey" gaming licence should be quashed.

The hearing, before Mr Justice Jowitt, has far-reaching implications for the regulation of casino gambling in Britain, which is already undergoing rapid change under the Government's policy of deregulation.

The Gaming Board revoked Mr Kingsley's licence last year, in the aftermath of its previous action against London Clubs, which began with a dawn raid by police on the Ritz Club in Piccadilly and Les Amhasseurs in Park Lane, in June 1991.

Although the Gaming Board complaints were not published,

they covered issues such as the granting of credit, the clearing of cheques (with particular reference to Japanese exchange controls) and, more significantly for casino operations, the question of funding overseas gamblers' air fares and hotel expenses.

This led to the company being declared "not fit and proper" to hold casino licences, thereby threatening its closure.

The judicial review, however, is not about the verdict of the Gaming Board, which was never tested in court. In the event, London Clubs' casinos were saved by the resignation of Mr Kingsley and his senior colleagues, together with a fundamental restructuring of the company. All the senior management at London Clubs at that time would now need to reapply for gaming licences.

The latest hearing is concerned with whether the Gaming Board exceeded its authority or abused its powers, in revoking Mr Kingsley's personal gaming licence in the manner it did.

Mr Kingsley maintains that when he re-applied, the Gaming Board pre-judged his case by finding against him before he was given a hearing, and that it showed clear bias against him in failing to take proper note of

the full evidence in his case. He claims that the loss of his licence for alleged professional misconduct has deprived him of a life-long career in casino management.

If he wins, therefore, he might be in a position to sue the Gaming Board, which would set a new precedent in gaming law, though legal experts say that the issue of damages in judicial review cases is very uncertain.

Mr Kingsley, who has never concealed his belief that he was unfairly treated, is a man with the means and the energy to fight a long campaign to clear his name.

On the other hand, if the judicial review finds merely that certain aspects of the evidence were not considered properly, or supports certain technical objections, it would be open to the Gaming Board to re-consider the case in that light. When the Board did this on a previous occasion, it did not change its decision.

Coincidentally, London Clubs International, under its new management, took a further step to expand its gaming operations in London this week. It has acquired the Park Tower casino in Knightsbridge for £16m, bringing its total number of working casinos in the capital to seven.



Club class: The Ritz Club in Piccadilly which was owned by London Clubs International when Mr Kingsley was managing director. Photograph: Ed Webb

Blueprint for saving water

NICHOLAS SCHOON.
Environment Correspondent

Changing the design of washing machines and reducing leakage from mains and household pipes are the most cost effective ways of saving water, the Government's water resources and pollution watchdog said yesterday.

The report, comes at a time when about 17 million people in England and Northern Ireland are still under hosepipe bans or tougher water restrictions in the wake of the drought.

The National Rivers Authority said water use could be cut, economically, by up to one-quarter. Its report, *Saving Water*, said changing older lavatory cisterns and extending water metering selectively were also needed to achieve the reduction. Taken together, this would drastically reduce the frequency of water shortages

and the need for new reservoirs and boreholes.

The report advocates that the Government should set a maximum limit for all new washing machines of 80 litres per wash, and that all pre-1981 cisterns in households should be replaced with dual-flush versions.

These allow the option of using just five litres - half the amount of water in a conventional cistern - to flush away urine. The authority says such arrangements should be mandatory for all new homes, and that water companies could give grants to householders for the cost of replacing cisterns which it puts at £30 per lavatory.

The report also suggests that all water companies should reduce their leakage rates to six litres per household per hour - equivalent to about 18 per cent of total water pumped into the mains being lost.

Most of the big 10 water com-

panies of England and Wales have leakage rates well above that, with North West, Welsh and Yorkshire the worst offenders. The Government and the industry's economic watchdog, Ofwat, are opposed to compulsory leakage targets for the companies but the NRA has now made a clear call for them.

The authority says these three moves - on washing machines, leakage and lavatories - would together save 3.6 billion litres a day in England and Wales, 20 per cent of current consumption.

The report says installing water meters in every home would not be a cost effective way of curbing use, but it does come out firmly in favour of a gradual spread of metering "with appropriate safeguards for low-income families."

The priorities should be to install meters in all new homes and where mains and service

pipes are being refurbished, to make the installation of meters an attractive option to customers and to concentrate on areas where water was most likely to be in short supply.

This summer's water shortages were caused in part by high use of garden sprinklers and hoses. The NRA said that if these households had had meters the problems would have been less severe. "That is something that should be taken very seriously by the water companies," said the NRA's water demand chief Peter Herberston.

Earlier this week, North West Water was granted powers to ban non-essential use of water such as car washing and watering of sports grounds. In mid-Ulster, several hundred homes have been experiencing rota cuts for the past three months, with water supplies shut off overnight for eight hours in every 24 to conserve supplies.

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Multiple sclerosis: A new treatment may help sufferers of crippling illness, but some doubt that it will be freely available



Jean Skasick holding the drug which gives her 'the prospect of a future' with MS

Photograph: Ed Sykes

MS sufferers offered 'breakthrough' drug

LIZ HUNT
Health Editor

Every patient suffering from multiple sclerosis who would benefit from a costly new drug will receive it, the Department of Health promised yesterday, as ministers sought to avert another healthcare-raising furore.

The drug, beta-interferon, has been described by American doctors as the "biggest breakthrough in MS for 20 years", and more than 40,000 patients in the US have used the drug since its approval there in 1983. It will be licensed for use here next month and will cost between £7,000-£10,000 a year for every patient treated.

About 10,000 of the 80,000 MS sufferers in the UK, who have the relapsing, or remitting,

form of MS, will be potential candidates for the drug. US clinical trials have shown that beta-interferon can cut the frequency of relapses by up to a third, although it does not cure or halt the disease, which is a degenerative disorder of the central nervous system, and affects mainly young adults.

The NHS executive is now drawing up guidelines on prescribing the drug, to be known as Betaseron, in consultation with the Multiple Sclerosis Society and the British Association of Neurologists. "If there's a patient who can clearly benefit from the treatment, clearly they should have [it], and it should be funded," the Department said yesterday.

However, as with many ground-breaking new drugs, the Department is strongly rec-

ommending that it is prescribed solely through hospitals. GPs will be asked to refer patients who want beta-interferon to a consultant for a full neurological assessment in "make sure clinically that it's going to the right people". There is also some concern about its long-term side-effects.

Ultimately, the decision to provide beta-interferon will rest with the local purchasing authority or GP fundholders, and many patients fear this means some will get it, while others will not, depending where they live. Some MS sufferers in the UK have already been refused the drug after a consultant has agreed to prescribe it.

Unlicensed drugs can be prescribed for small numbers of patients under a special scheme, and there are different types of

beta-interferon in trial use here. In a recent letter to one MS patient who could not get the drug, John Bowis, junior health minister, acknowledged the problem: "New drugs can be expensive and this includes beta-interferon products; money spent on them will mean less for other services."

Peter Cardy, chief executive of the MS Society, said he was urging the Department to issue "strenuous guidance" that access to the drug should be equitable. He warned that the biggest barrier to patients would be waiting lists of several months to see a neurologist.

A free leaflet on beta-interferon is available from the MS Society, 25 Effie Road, Fulham, London SW6 1EE. Helpline: 0171-371 8000.

News Analysis, page 19

Beta patient wins right to a brighter future

LIZ HUNT

"What this drug has bought us is time, time for my family and time for science to come up with the cure for this cruel disease," Jean Skasick, 48, has multiple sclerosis but considers herself one of the luckier ones because she has been receiving weekly injections of beta-interferon since July.

The battle to get the drug has dominated the lives of Jean and her husband Jim for more than a year. They launched an appeal to raise funds to pay for it, and, from their home in south-west London, they bombarded everyone they thought could help, from Virginia Bottomley, then Secretary of State for Health, to officials at their local health authority, demanding to know why Jean could not have a drug which might slow the progress of the increasing disability which is characteristic of MS.

She talked of being repeatedly "stone-walled and fobbed off", of ignored letters and phone calls that were never returned, of doctors who said they would prescribe it and then changed their minds. "It was all about money," Mrs Skasick said. "They just didn't want to pay for something that might help me, and yes it was going to cost less than £10,000 a year."

Jean Skasick was under no illusions about beta-interferon. She knew that it would not cure

her MS and she knew that British neurologists were more cautious than their American colleagues who had hailed the drug as a "breakthrough". But she felt there was no alternative treatment for her.

Mrs Skasick was unable to take steroid drugs, the only routine MS therapy that offers some relief to sufferers, because she suffered from osteoporosis. She knew that at least 20 people in the UK were already taking beta-interferon, paid for by health authorities or trust hospitals. Another 15 were paying for it themselves. "This was all so unfair," she said.

It was only after Mrs Skasick's story appeared in the *Independent* earlier this year that the Merton, Sutton and Wandsworth Health Authority relented, and said that if she found a neurologist to prescribe the drug, the authority would fund it. Two months into her treatment Mrs Skasick has found no discernible improvement in her condition.

But she said: "This is a long-term treatment. All I my family and I are hoping is that will slow the disability."

"It has given me the prospect of a future. If other people don't get this drug they are being victimised. For years we've cost the NHS nothing - because there was nothing you could do for MS. It must be our turn now."

DAILY POEM

To Giovanni da Pistoia, On the Painting of the Sistine Chapel

By Michelangelo

Like cats from Lombardy and other places
Stagnant and stale, I've grown a goitre here;
Under my chin my belly will appear,
Each the other's rightful stance displaces.



My beard turns heavenward, my mind seems shut
Into a casket. With my breast I make
A shield. My brush moves quickly, colours break
Everywhere, like a street mosaic-cut.

My loins are thrust into my belly and
I use my bottom now to bear the weight
Of back and side. My feet move dumb and blind.
In front my skin is loose and yet behind
It stretches taut and smooth, is tight and straight.

I am a Syrian bow, strained for the pull -
A hard position whence my art may grow.
Little, it seems, that's strong and beautiful
Can come from all the pains I undergo.
Giovanni, let my dying art defend
Your honour, in this place where I am left
Helpless, unhappy, even of art bereft.

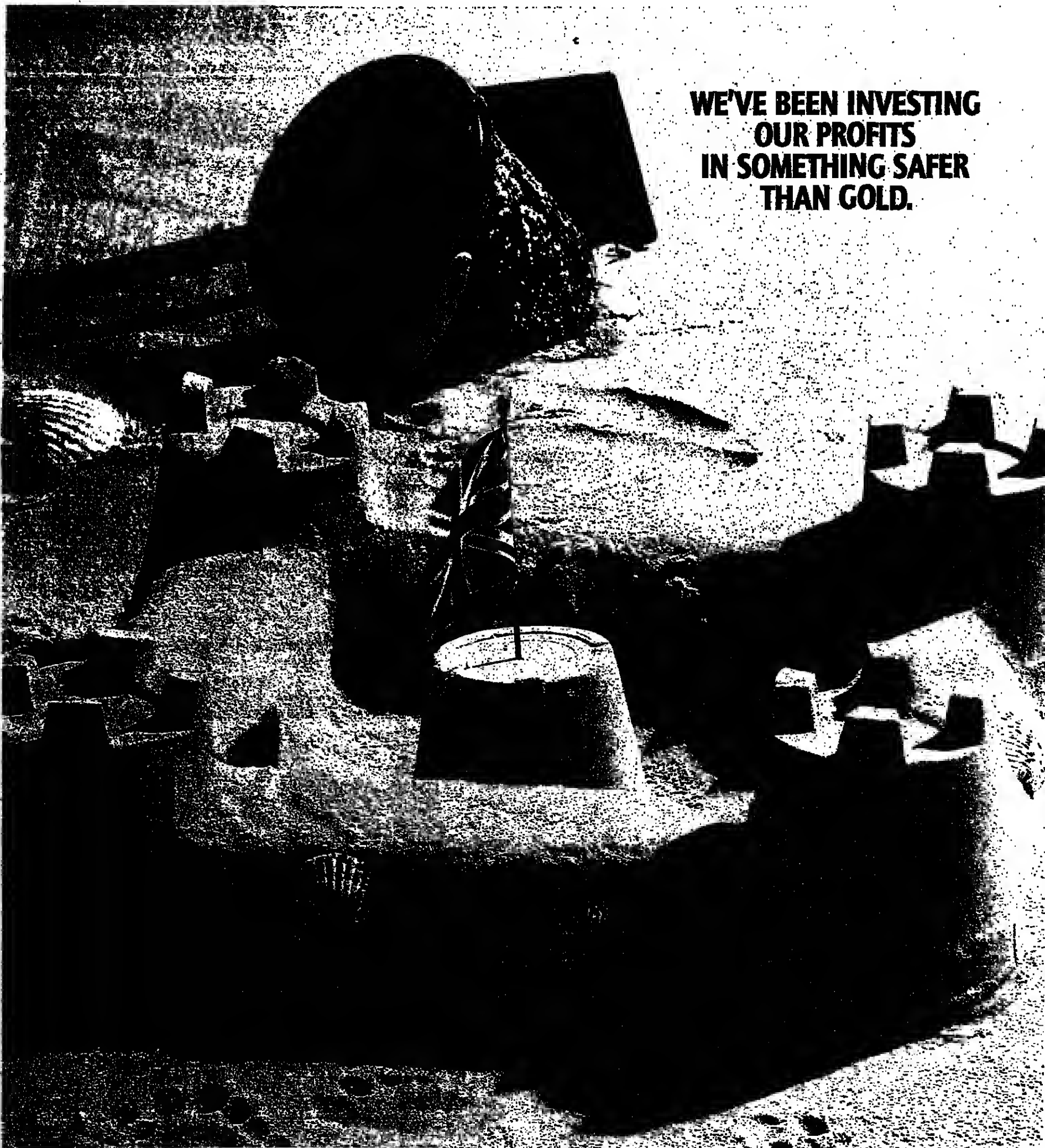
Michelangelo, the supreme creative genius of the Italian Renaissance, was also a poet. The majority of his sonnets were written in the last 30 years of his life, this one in Rome as he embarked on the most demanding challenge of his career, the painting of the Sistine Chapel. It is a remarkably frank account of the physical agony of the task, and the unexpected vulgarity of goitres, bottoms and bellies (such earthiness was common in the 16th century) has a refreshing charm. It is one of many poems, translated by Elizabeth Jennings, which appears in a new collection from Carcanet, *The Sonnets of Michelangelo*.

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LABOUR IN BRIGHTON

Hattersley the rebel smarts from Blunkett's savaging

JOHN RENTOUL
Political Correspondent

Roy Hattersley said he "hated" the "trauma" of his new-found role as conference darling of the rebellious left yesterday, as he smarted from a blunt put-down from David Blunkett on the platform.

He had seemed to revel in the delegates' applause after his first speech from the floor for 20 years and he took the long route back to his seat so that he could savour it. It was only when Mr Blunkett departed from his text to savagely him that Mr Hattersley's face started to fall.

The former deputy leader claims that he does not want to be involved in political controversy. "Like the Queen Mother in 1936, I hoped to spend the rest of my life in comfortable obscurity," he said.

He says he was offered a Cabinet post in a Labour government by John Smith, when he told the former leader that he would not be standing for the Commons again at the next election. He says Mr Smith told him: "I hoped you would see us in for a year or two." But Mr Hattersley says he did not like the idea of being an "old man" in a Labour cabinet, delaying the advancement of younger talents. Instead, he returned to his



Brief glory: Hattersley speaking yesterday, before the put-down. Photograph: John Voss

original craft of journalism and started earning a lot of money as a writer. Some of his articles are cultural. Some are autobiographical – the best was the Roy Hattersley Diet (before 15st 2lbs; after, 15st 2lbs). And later this month he publishes *Who Goes Home?* the story of his political life.

But some of his articles are political, and in January he

struck a chord on education, and began an extraordinary transformation into left-wing firebrand and leadership critic. This culminated in his appearance at the Tribune Rally on Tuesday. He was paying back a 21-year-old grudge. He told how Tony Crosland told him off for losing "thousands of votes" by pledging, as education spokesman, to abolish fee-paying

schools. He was still bitter about Harold Wilson's refusal to give him the job in government.

But left-wing dissenters, as Liz Davies has also discovered, have to pay a price – the "new Labour" leadership hits back, and hits back hard. Asked if Mr Blunkett's attack on him hurt, he said: "That's politics." But he was hurt. Will he retreat to lick his wounds, or will he fight on?

Party rejects call to abolish grant-maintained schools

STEPHEN GOODWIN
Parliamentary Correspondent

Tony Blair was relieved of the embarrassment of having his choice over the education of his son in direct contradiction with Labour Party policy yesterday, when a move to abolish grant-maintained status and bring all schools under local authority control was defeated by a 3 to 1 majority.

The most heated debate of the conference featured Roy Hattersley in the unusual role of darling of the left wing as he accused the party leadership of propping up a failed Tory scheme, and called for a drive against the country's 150 remaining grammar schools. "Let's stop apologising about comprehensive schools," said the former deputy leader of the party, winning a standing ovation from part of the Brighton conference hall.

But in a trenchant defence of

the leadership's compromise on "opt-out" schools, education spokesman David Blunkett said there would be no two-tier system and warned Mr Hattersley of the electoral consequences of splitting the party. "Everyone in this room knows that the team that kicks into its own goal loses the match – and we are not going to lose the match."

The call to abolish GM status and bring all schools, including city technology colleges, back under local authority control was defeated by 76.4 per cent to 23.6 per cent. Union block votes ensured the comfortable majority, with constituency parties voting by only the narrowest of margins against the motion. A show-of-hands vote would have looked far more damaging for Mr Blair but was avoided when Diana Jueda, chairing the session, moved promptly to a card vote.

Under the policy document *Diversity and Excellence*, ap-

proved yesterday, GM schools would be renamed Foundation schools, two councillors would be added to their boards of governors and extra funding would stop. Some 1,070 of the 24,000 secondary schools in England and Wales have opted out of council control, but the Government has had difficulty in persuading more to follow.

The Labour document also restates the party's opposition to the 11-plus examination. "We are determined to renew and commit ourselves to comprehensive education for every child in the country," he said. There would be no hierarchy of schools, and "fair and equitable funding" for every school.

Mr Blair's decision to send his son Euan to a GM school, the London Oratory, 8 miles from his Islington home, was attacked by delegates. Maggie Rosher of Coventry, a retired teacher, said she felt "a great sense of betrayal". Nigel Mason, of

Islington North, said there could be no compromise over opt-out schools. "We will not accept the concept of Foundation schools. This is the Sellafield factor – if something stinks, change the name."

Lynn Jones of Harborough condemned GM schools as "divisive, selective and destructive". She added: "We must not be seen as the Tories' partners in crime."

But the weightiest criticism came from Mr Hattersley who said the proposal for Foundation schools offered GM schools a chance to be different – "a chance to pose as superior and therefore the chance, from one source or other, to obtain extra finance".

GM schools were the great failure of the Tory government – "the thing they couldn't bribe or bully schools to [become]". Mr Hattersley said. "Why should prop it up seems to me absolutely extraordinary."

Labour education policy: What they said ...

Gillian Shephard, Secretary of State for Education, in leaked memo last month: "This should be one of our major success stories but it is not. On education, Labour maintains a lead over us of about 30 per cent, compared with 20 per cent a year ago. There is a perception that schools are underfunded and peace in the classroom is threatened.... Insufficient resources now threaten the provision of education in the state sector, including grant-maintained schools."

Tony Blair, the Labour leader, speaking about education in Tuesday's conference speech:

"... If we do not change, we will have two classes of health service, two classes of state schools... We will put our education system right. No more dogma. No more arguments about structures. For every school, fair and equitable funding. No return to selection, academic or social. But a new deal in our classrooms."

... and what was passed yesterday

Diversity and Excellence, Labour's education policy paper passed by yesterday's conference:

"Schools will be organised in one of three ways.

"Community schools, based on existing county schools, would have a number of important changes to increase the role of parents and the independence of the school.

"Aided [schools], based on existing voluntary-aided schools, would continue to be able to employ staff, develop an admissions policy in partnership with the LEA, hold the school assets in trust and receive capital grants to cover 85 per cent of their costs. Changes... would include the development of the role of parents."

"Foundation schools will offer a new bridge between the powers available to secular and church schools. They will offer greater flexibility and devolution within the local management system as part of the local democratic framework. Building on voluntary-controlled schools, the foundation schools would have an opportunity to develop within the local education system the ethos which many grant-maintained schools feel they have developed."

"Fair selection:

"Our opposition to academic selection has always been clear. But... change [comes] only through local agreement. Such change in the character of the school would only follow a clear demonstration of support from the parents affected by such decisions."

Isolated left goes beyond the fringe

Despite all its artful stage management, this week's Labour Party conference has been full of the unexpected.

For a start there was the sight, in the education debate, of Roy Hattersley casting himself as the darling of the left, and earning a standing ovation – for audacity if nothing else. Then there was the woman outside the centre who positioned herself among the gauntlet of activists pressing leaflets – about the export of Kashmir, or the Young Fabians Social – on reluctant delegates. Her purpose was to yell her political demand: "make ballet underwear compulsory for two hours a day".

She was not the only one pre-occupied with idiosyncrasies. On the fringe the most unlikely things were being appropriated as party political issues. In a hotel just up the prom from the conference centre yesterday lunchtime, for instance, a woman called Christine Burns was launching a new lobbying organisation.

Ms Burns's point was that though she was a woman, the law did not regard her as one. She had been born a man, and had undergone "gender reassignment surgery". She called her group Press for Change presumably because someone had already used the name The No Turning Back Group. Her complaints about discrimination against transsexuals were significant: not allowed to have a changed birth certificate, not allowed to marry, not adequately protected against sexual offences. Worse, certain NHS trusts had decided not to continue sex change operations, as a cost-cutting move. "Which is ridiculous as they represent very good value for money," Ms Burns said. "They only cost between £1,500 and £3,000, depending on the trimmings."

Though in the case of this operation, you would have thought the whole point was that trimmings were included. Sitting beside Ms Burns was Lyndie Jones, a distinctly un-Blairite MP, who quickly made party capital out of the issue. "The present Government is intransigent on transsexual rights



JIM WHITE

and has refused to recognise it as a government responsibility," Dr Jones said. "As yet there is no Labour policy relating to this issue, but I am hoping to put forward a resolution at next year's conference."

With all the other areas of policy appropriated by the Blairites, the left, it seems, is having to get over more imaginative in finding causes to call its own. Ms Burns, though, didn't quite see it like that: she confessed to being a member of the Tory Party and was going to hold a similar meeting next week in Blackpool. At which point a member of the press, barely able to stifle a snigger, asked which Tory MP she had persuaded to chair the meeting. "Sadly, I haven't found one," was the disappointing answer. This exchange led a delegate to suggest that the biggest problem transsexuals face is the media: they just don't realise what harm they cause by taking the piss. So out goes the joke about male prospective Labour MPs taking an interest in this group's activities as their only way of getting on to all-women shortlists.

Another tiny, beleaguered minority group was out lobbying the fringe the previous evening: the privatised utility fat cats. At a cocktail party thrown by the modernising magazine *Renewal* could be found a director of North West Water. The evening began with a plea by the editor for funds, a plea which Tony Blair, making a fleeting visit, found hard to understand. "Looking round this room," the Labour leader said, casting his eye over the select gathering. "I can see plenty of money to help you." He didn't name names, but North West Water subsidising a Labour publication: now that would be unexpected.

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LABOUR IN BRIGHTON

Young to push ahead with rapid rail sell-off

COLIN BROWN and BARRIE CLEMENT

The privatisation of Railtrack is to be pushed forward by Sir George Young, the Secretary of State for Transport, in spite of rising opposition to the break-up of British Rail.

Signalling the go-ahead at the Conservative Party conference next week, Sir George will in effect challenge Labour to find the money to buy it back. "We are talking about large chunks of money," a Whitehall source said.

Labour hopes its threats to take back Railtrack into public ownership will stop its privatisation. The value of Railtrack, which owns the track system, has fallen from an estimated £4bn, when privatisation was first proposed, to about £1.5bn.

The Government is committed to privatising the rail network before the next general election and Sir George will make it clear it will not be postponed any longer.

The shadow transport secretary, Michael Meacher, yesterday warned prospective private investors: "If you want to buy a pig in a poke in all those circumstances it's up to you. But don't come crying to me when it all ends in tears."

Opening a debate on transport at the party conference, Mr Meacher said: "We are going to stop this privatisation in its tracks." He also threatened to cut the £1.8bn public subsidy for private companies, although that could put services at risk.

The Government's determination to press ahead with rail privatisation in spite of widespread opposition continued with an employee buy-out yesterday for £11.5m of the BR sandwich business.

The move to accelerate privatisation will intensify the pressure on Tony Blair from trade unions to spell out his pledge to the Labour Party conference that there would be a "publicly

owned and publicly accountable" railway system under a Labour government.

The Labour leader's commitment caused confusion at the conference yesterday over how far Mr Blair's pledge committed Labour to renationalising the rail system. It was thought Mr Blair was proposing to make the 25 operating companies publicly accountable and to limit the promise of public ownership to Railtrack. A Labour government could allow private franchised services to run for the life of their contracts, up to seven years, on publicly owned track.

But Mr Meacher went further yesterday, refusing to rule out the possibility that the 25 operating companies responsible for running services could be brought back under public ownership. Mr Meacher said the options included a buy-back of shares; the issue of Rail Bonds; or the use of a "golden share" giving the Government a controlling interest.

The RMT transport union, Aslef, the train drivers' union and TSSA, the white collar association, are lobbying Mr Meacher before the completion of his rail privatisation policy document in November to make the commitment to public ownership more explicit for Railtrack and the operating companies.

The left-led RMT, the biggest rail union, believes that the whole of the industry should be renationalised with immediate effect. Aslef is arguing that Railtrack and the passenger and freight train operators should be taken back under public control and the Government should take a controlling interest in the companies which lease rolling stock.

Drivers' leaders accept the train operators may have to remain in the private sector until the end of their contracts, but argue they should come under the control of a single national authority.

Business fears, page 24

Beckett's NHS pledges cheered

PATRICIA WYNN DAVIES
Political Correspondent

Private-sector companies will take no part in running National Health Service hospitals under a Labour government, delegates pledged yesterday.

But there was an impassioned appeal for a fair-pay deal for "ground down" NHS workers from Rodney Bickerstaffe, associate general secretary of Unison, the health service union.

"Tony, I heard you loud and clear yesterday when you said that a Labour government, like all governments, will have to say no as well as yes on public-sector pay," Mr Bickerstaffe said during yesterday's health debate.

"But the NHS staff are the most shining and polished face of the jewel in the crown [of the welfare state]. We cannot keep grinding them down, exploiting them. When you come into your kingdom - and health staff want you there - remember them and say yes."

The plea came as Margaret Beckett, health spokeswoman, received the fifth standing ovation of the conference after pledging that Labour would stop the "privatisation" of the health service that had been put in train by the Tories.

There were cheers when Mrs Beckett promised that Labour

would remove gagging clauses from NHS staff contracts, end mixed-sex wards, fight to restore NHS dentistry, strengthen the rights of carers, ban tobacco advertising, halt market testing of 48 clinical services.

Citing last month's issue of the *Lancet medical journal*, which condemned the private finance initiative as the back door to privatisation, Mrs Beckett said: "The cat's out of the bag. The Tories are privatising the health service."

"Privatisation is not just about privatising services but also about driving more and more people into the private sector of health care," she said.

"We are now being asked to accept a safety-net public service for emergencies and for the poor and expensive private health insurance for the great majority... I'm telling you Labour won't accept this future. I won't accept this future - not while I live and breathe."

The conference motion passed by delegates commits the party to abolishing compulsory competitive tendering, ensuring that private companies take no part in running hospitals, and agreeing national pay arrangements. The NHS internal market and GP fundholding would be replaced by a co-operative framework for commissioning.

Quotes of the day

"Whilst I fully understand there is much interest in the [OJ Simpson] verdict, I would implore you not to lose sight of both the news value and of the importance to the country of Mr Blair's speech." - Alastair Campbell, Tony Blair's press secretary, in a fax to the BBC on Tuesday afternoon.

"Those who didn't come up with solutions shouldn't turn on those who have." - David Blunkett, education spokesman, to Roy Hattersley.

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Solitary splendour: Delegate Sadie Cunningham, of Kingston upon Hull East, sitting among a sea of chairs at lunchtime. Photograph: John Voos

Blair in plea to lawyers

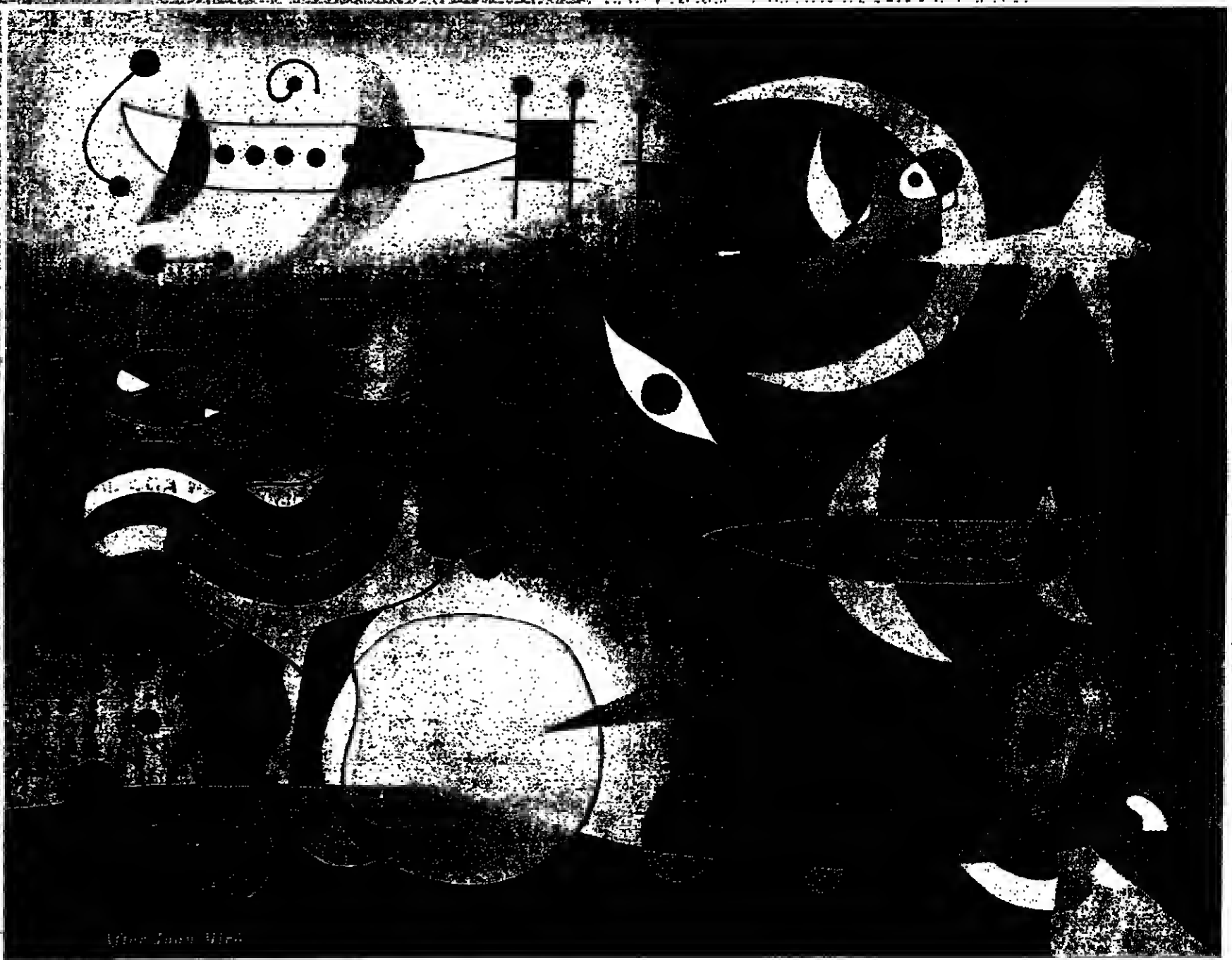
Lawyers are to be asked by Tony Blair to work for free to help people take their cases to court without the fear of hefty legal bills, writes Colin Brown.

The Labour leader's voluntary plan is aimed at people who are not poor enough to qualify for legal aid, but cannot afford proper advice. He made it clear that Labour was committed to supporting a publicly funded legal aid system, but said this was a way of supplementing it.

Mr Blair said he had asked Paul Boateng, Labour's legal affairs spokesman to open discussions with the Bar Council and the Law Society. Under the scheme, lawyers or their companies might volunteer to spend a number of days a year working in law centres or Citizens' Advice Bureaux. Some might contribute a cash equivalent or sponsor a full-time worker.

Mr Boateng will today outline Labour's plans for extending access to justice - including a community legal service and the reform of the legal profession.

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international

Bosnia conflict: US envoy talks of serious proposal for a ceasefire as his peace mission starts to regain momentum

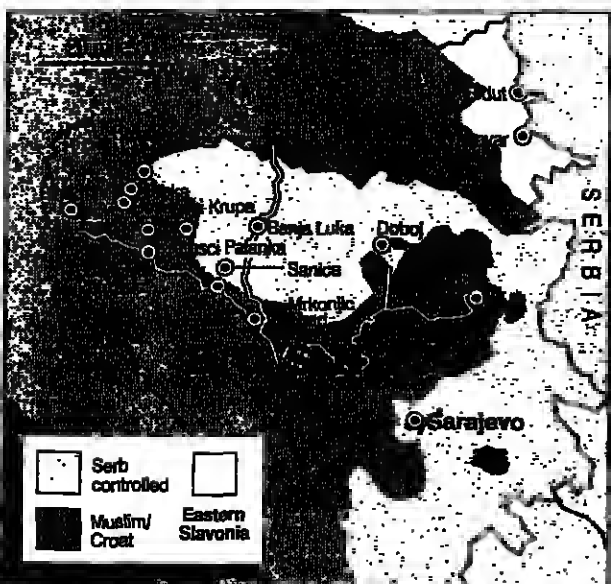
Nato air raids ruffle ceasefire optimism

EMMA DALY
Bihac
and Agencies

There were renewed hopes of an early ceasefire yesterday, despite a brief resumption of Nato air strikes and further gains by Serb forces counter-attacking in north-west Bosnia. After meeting officials in Sarajevo, Richard Holbrooke, the US peace envoy, said the Bosnian government had made a "serious proposal" for a ceasefire.

Jadranko Prlic, a Croat who is vice-premier of the Bosnian government, told the Sarajevo daily newspaper *Oslobodjenje* that a resolution of the war may be near. "I am not being an optimist," he said. "I am just really assessing the situation. In the next few weeks, we will have a definitive solution." Aleksa Buba, foreign minister in the self-declared Bosnian Serb state, said a cease-fire "could be signed on 20 October in Washington".

The optimism was ruffled by the first Nato air raids for two weeks when warplanes fired missiles at three Bosnian Serb radar sites. Nato said Serb anti-aircraft radar locked onto the planes and they fired in self-defence. A spokesman said the planes fired two missiles at



sites in southern and central Bosnia, and that a third was fired at a site in central Bosnia. Despite these attacks, it appeared that the US peace mission, which had been running into the usual Balkan quicksands, might be regaining momentum. Mr Holbrooke has gained general acceptance on a territorial division of Bosnia between multi-ethnic and Serb statelets and power-sharing in

a postwar government. A cease-fire could pave the way for a full-scale peace conference to establish the final details. The envoy is due to meet the Serb President, Slobodan Milosevic, in Belgrade today.

The Bosnian government's willingness to consider a cease-fire may be linked to the success of the Bosnian Serbs in regaining some of the territory in northern Bosnia rolled over by

Muslims and Croats last month. Exhausted and disgruntled, the Bosnian Army Fifth Corps is falling back slowly before a rebel Serb counter-attack along a front line stretching more than 100 miles from Otoca, 5 miles north of Bosanska Krupa to the main road leading to the Serb-held town of Mrkonjic Grad.

"The situation is not that good at the moment - I've been on the line for 23 days without a break and now I only have 24 hours off," said a Fifth Corps soldier in Bosanska Krupa. A punk with a studded dog-collar and a bandolier, he was silenced by a disapproving military policeman who announced that morale was good. The Serbs had taken some ground to the north and east but "it's a tactic," he explained.

There are similar tales from soldiers in and around the town of Kijuc, the base for troops advancing north to Sanski Most and east to Mrkonjic Grad. "They brought us from Sarajevo to work as police in Kijuc then they sent us to the front line to fight like ordinary soldiers," said one young man, limping from a wound he said was caused by fragments from a missile fired from a Serb aircraft.

After the stunning success of



Going underground: Sarajevo residents queue for water in a city centre tunnel

Photograph: David Brauchli/AP

the September offensive by the Fifth Corps attacking out of Bihac - where they had been under severe siege for more than three years - in concert with Croatian troops, the momentum has died. A few days ago the Tigers, an elite unit of the Fifth Corps, had to make a stand to allow their comrades to escape during an attack that went horribly wrong. The line broke and the Serbs retook several

kilometres of land north of Kijuc. Bosnian officers say their casualties pale in comparison to those suffered by the Serbs, but the surgical and intensive care wards at Bihac hospital are filled with young men. Death notices are to be seen everywhere - in the past week two senior officers have been killed - and even the Fifth Corps commander, General Atif

Dudakovic, has been wounded. But despite the problems with holding the line, few people fear that a resurgent Serb army will retake the newly captured territories. "The Fifth Corps is the heavenly force, and the Serbs have no chance of taking Bosanska Krupa now," said Vera Suljanovic, who recently moved back to the ruins of her car repair shop. Refugees expelled by the

Serbs and resettled in Kijuc 10 days ago - against their will - are terrified, however, by the prospect of an enemy attack, looking up nervously at the sound of planes overhead and the crump of explosions. "We are afraid of the Serbs - perhaps they will occupy Kijuc again and kill us all if they find us here," one woman said. "The line is very near..." said an old man, his voice trailing off.

Gligorov bomb has Balkans on guard

MICHAEL SHERIDAN
Diplomatic Editor

The car bomb that nearly killed President Kiro Gligorov of Macedonia on Tuesday has sent tremors through the southern Balkans and created the most dangerous instability in the region since the breakup of Yugoslavia four years ago.

Supported by a small but symbolic UN peacekeeping force and backed by clever American diplomacy, President Gligorov had kept a balance between rival ethnic groups among his two million people and avoided potential conflicts with Albania, Serbia, Bulgaria and Greece. His disappearance from the scene - at 78, he is unlikely to recover quickly from severe head injuries - could end all that.

The greatest danger is that blame for the bombing could fall on a minority group, such as the Albanians, detonating a civil war that would draw in outside interference. Macedonia has an extreme nationalist movement capable of political violence. But Western governments have learnt that the bomb was a highly sophisticated device, believed to be beyond the capacity of local groups.

There is another possibility. The country has become a centre for the Balkan heroin trade and official corruption has been fuelled by Mafia drug money. The Italian Mafia is the only group in south-east Europe to use car bombs to assassinate its foes in recent years. And the Macedonian government was under discreet Western pressure to crack down on drugs.

But it is almost irrelevant whether President Gligorov was attacked by the Mafia or by any of the numerous extremist elements in his landlocked and impoverished country. The fact is that the bombing was a perfectly calculated act of terrorism which achieved its objective: maximum destabilisation.

The instantaneous reaction by Greece - bitterly at odds with Macedonia since its independence - was proof of the fear it unleashed. When the bomb went off, Greece and Macedonia were just beginning official talks to resolve their dispute over the former Yugoslav Republic's name and constitution. By ten minutes past six that evening, Athens had sent surgeons with specialist equipment from Thessaloniki to Skopje to join the doctors trying to save Mr Gligorov's life.

Prime Minister Andreas Papandreu and the opposition all condemned the bombing and Athens put its forces on alert along the northern border. The Macedonians sealed off their and Bulgaria tightened security along its frontier with Macedonia.

This attack of the jitters should put every government involved with the former Yugoslavia on its guard. The sensible behaviour of Athens will attract firm European support and its negotiations with Macedonia will go ahead.

Survivors tell of massacre following fall of Srebrenica

AIDA CERKEZ
Associated Press

Only three escaped as 3,000 were systematically mowed down

Tuzla - The Serbs had promised the prisoners would be exchanged. But as he clambered off a truck with other Muslim captives, Hurem Suljic encountered a green hillside covered with bodies. In the next hours, first under the July sun and then by the headlights of two excavators, as many as 3,000 Muslim men captured when Serbs overran the east Bosnian enclave of Srebrenica were mowed down. Those who did not die immediately were killed by pistol shots to the head.

Only three men are known to have survived, one of them Mr Suljic, 54, a disabled bricklayer. Their accounts of the massacre provide a key link in evidence of Serb atrocities after the enclave fell. They not only point to a previously unsuspected massacre site but also place the Bosnian Serb military commander, General Ratko Mladic, at the scene.

The Red Cross has said 8,000 of the 42,000 people in Srebrenica before its fall remain unaccounted for. US intelligence photos have indicated mass graves around Nova Kasaba, west of Srebrenica. Madeleine Albright, US ambassador to the United Nations, told the Security Council as many as 2,700 people might be buried there.

Journalists have reported evidence of human remains: Serbs suggest they are those of 3,000 Bosnian government soldiers killed defending Srebrenica. But the story told by survivors, interviewed separately, points to a different explanation. They have spoken to Bosnian government investi-

gators gathering information to present to the international war crimes tribunal in The Hague, which has already indicted Gen Mladic as a suspected war criminal.

As Srebrenica fell, its people could hope UN soldiers could protect them, or try to escape west through Serb-held forests to government territory.

Mr Suljic thought the Serbs would have no use for a bricklayer with a bad leg, and joined thousands of others - mostly women and children - seeking refuge at the main UN base. But Serbs occupied it and while Dutch peace-keepers watched helplessly, separated several hundred men, including Mr Suljic, and shut them in a warehouse. He said some 100 were taken away the first day.

The next day Gen Mladic visited and said they would be exchanged for Serbs. But instead

of heading to the front line, they were taken to a sweltering sports hall in Krizevci, 22 miles north of Srebrenica.

Through the night, bus after bus arrived. On one was Mehudin Oric, 25, a soldier captured as he fled through the woods. Mr Oric said his captors were driving UN vehicles. Mr Suljic said he counted four to five men to a square yard, a total of 2,400 to 3,000. Gen Mladic appeared again on 14 July, three days after the fall of Srebrenica. "We started yelling at him, 'Why are you suffocating us here? Better kill us all'."

Finally, the prisoner exchange was said to be ready. Groups were taken and placed in two trucks, 10 to 15 men in each. "We went a bit up the hill, slowly," Mr Suljic said. "The sound of some machines was becoming louder and louder... The truck turned left and stopped in the grass. We saw a field covered with bodies. They ordered us to come out and line up with our backs to the field of bodies."

There were two firing-squads of five soldiers each. Mr Suljic was in the first row, with two rows of prisoners between him and the Serb guns. "I could hear automatic gunfire. They fell on me, and I fell on my stomach. But I wasn't hit," he said.

Mr Oric was with a cousin, who grabbed his hand as they got into a truck shortly after Mr Suljic. When they saw the killing-field, "my cousin grabbed my hand again and

said, 'Mevio, they're going to kill us', Mr Oric said. As the shooting began he dived to the ground. "I didn't move. I stayed lying there for nine hours."

In intervals between the shooting a Serb walked among the bodies and finished off those still moving with a pistol shot to the head, both survivors said. At one point, Mr Suljic said, Gen Mladic appeared nearby. "He took a look and left quickly." Group by group, trucks brought prisoners, who were shot in turn. When it became dark, the soldiers used headlights of the two diggers.

Finally the shooting stopped, and Mr Oric heard a voice saying the dead would not be buried that night. But guards refused to stay the night, and all the Serbs eventually left.

Mr Suljic stood and looked around. Moonlight illuminated "a sea of bodies". He tried to shout "Is there anybody alive? If there is someone, get up, and let's go." It came out as a whisper. But it was loud enough for Mr Oric, lying 20 yards away. As he stood, he said, "The only thing I saw was dead people all over the place... I got very scared and started crying. I couldn't stop. This man came to me, it was Hurem, and he asked if I was wounded."

Stepping over bodies, the two headed into the forest. In the morning, they reached a burned-out village. Stopping to pick apples, they saw a man ahead. It was Small Hadzic, the third known survivor. They climbed a hill, oriented themselves, and began walking towards government positions. Three days later, they crossed a minefield at the front line and were met by Bosnian soldiers.

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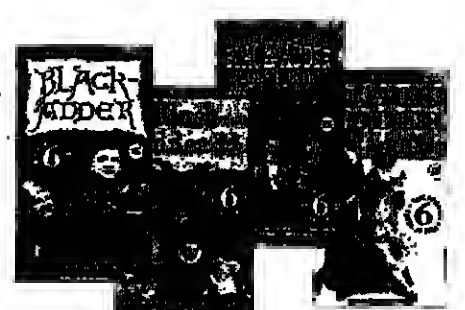
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John Carlin in Las Vegas finds the 'Soldier of Fortune' 20th anniversary a sad part of the American Dream

On parade with wannabe warriors

Two blondes in green camouflage micro-skirts are standing guard on stiletto heels over a Harley-Davidson motorbike. Each is holding a black plastic assault rifle. Sitting cross-legged on a chair, observing them with little interest, is a large, bearded biker sporting dark glasses, jeans, white shirt, black leather waistcoat, cowboy boots. His hair is in a long black pony tail. A tubby middle-aged man in yellow shirt and pink shorts approaches the biker. They talk. The biker nods. The man smiles and hands over a \$10 bill.

The two blondes escort the man to the Harley. He sits on it, side-saddle. The blondes close inspection indicates they are mother and daughter - pose either side of him. All three smile and stare into a Polaroid camera mounted on a tripod. The biker instructs the man to put his arms around the women's waists and, click, he takes the picture.

The scene is the Sands Hotel Expo Centre, Las Vegas. The event is the annual *Soldier of Fortune* convention. Vendors at a 100 stalls are selling Magnum revolvers, Bushmaster "Bulldog" carbines, US army-issue night-vision goggles, Green Beret training manuals, Vietnam-tested tomahawks, double-bladed combat knives, pepper-spray canisters, Rhodesian passports and South-West Africa Special Forces desert camouflage uniforms, available for \$105 (£70) in medium, large and extra large. Saturday morning shoppers inspect the hardware, feel the cloth. Husbands and wives - middle-aged, middle American - stroll hand in hand. They carry their paramilitary purchases in white plastic bags. Many of the men are wearing black boots and camouflage uniforms. So are some of the women. And so is a baby in a pram. One woman has smeared her face with earth-coloured paint. No one gives her, or the baby, a second glance.

Soldier of Fortune is a magazine about men and war. It was founded by Colonel Bob Brown, a Vietnam veteran, in 1975. Colonel Brown and his staff clog in what they call "participatory journalism". They fight and write. This month's 20th anniversary issue recalls the derring-do of "SOF"



Gun-ho: Macho fantasy is *Soldier of Fortune* terrain as military enthusiasts exercise with machine guns

Photograph: René Clement

correspondents in Rhodesia, "where we racked 60 terrorist kills", and El Salvador, where "we took on the Marxist FMLN guerrillas".

Working on the premise that war is fun, SOF dispatches its correspondents to hot-spots in the hope that they will get into trouble. The reports combine breathless *Boy's Own Paper* enthusiasm with the pedantic attention to detail of a military intelligence brief. The reader, sitting in his Minneapolis bedroom cradling a Budweiser, is drawn into the drama by the implied notion that might be called upon to join Colonel Bob's soldier-journalists on some far-flung field of battle.

The most reliable indicator of *Soldier of Fortune's* target market is provided by those who advertise in the magazine. Apart

from the predictable panoply of knives and rifles, advertisers offer "uncensored gore" photographs of "fatal beatings, mutilations and decapitations"; "Russian ladies who want to meet you"; and "male power packs" which "can elevate testosterone by 200 per cent".

Macho fantasy being *Soldier of Fortune's* true terrain, it is not coincidental that Colonel Bob - who is in his sixties and partly deaf - should have chosen Las Vegas as the site of his wannabe warriors' annual pow-wow. Las Vegas is so unapologetically over the top that it is impossible for a visitor to feel self-conscious or foolish. More than Los Angeles or New York, Las Vegas is the extreme expression of the American Dream, a desert mirage of shimmering 21st-century Baroque where every

man can become an instant millionaire and entertain the notion of possessing (for in Nevada, alone among the 50 states, prostitution is legal) the woman of his wildest imaginings.

Take Jim French, poor Jim French from Scottsdale, Arizona. Jim was wandering up and down the aisles of the Expo Centre on Saturday in a black beret with flowing ribbon, a brown army T-shirt, green camouflage trousers and calf-length army boots. He was paunchy and pale and wore glasses. His arms were flabby and thin. Back home they'd laugh to see him dressed this way but here he was safe, among friends.

Jim is a substitute teacher who works, sometimes, for the Los Angeles County education department. He struggled to raise the \$700 (£450) to pay for

his week at the Sands Hotel but it had been worth it. When he got back from Vietnam, where he served in Air Force intelligence 25 years ago, people had viewed him as a leper, he said. "Here we're together. We enjoy mutual respect."

One thing upset him a little, though. While perhaps half of the 600 or so delegates at the convention had served in Vietnam, some hadn't seen any action at all. "There are quite a few phonies around, yeah," he said. "The people who weren't there. Usually they're fairly young. You can spot them. They know too much."

In so far as there was any tension at this happy tribal occasion it sprang, as inevitably it would, from the male instinct to compete. Most of the conven-

tioners, as they called themselves, were good law-abiding folk: Isuzu dealers from Seattle; police deputies from Orlando. But you could see how a young man, in his eagerness to impress, might cross the mark between illusion and reality and blow a building full of people sky high.

Especially if he made a habit of participating in rituals like the banquet which closed the convention proceedings on Saturday night. Anywhere else in the world you would have called it a fancy dress party. Either that or a battalion of police, backed up by men in white coats, would have been given orders to storm the building.

A thousand diners stood heads bowed, ten to a table, in a darkened hall the size of St Paul's Cathedral. Upon a

brilliantly illuminated podium, against the backdrop of a massive Stars and Stripes, an old man in regimentals offered up a prayer to "Our Lord, God of hosts". Some of the diners ranged before him wore fresh new South-West Africa Special Forces battle uniforms. Others wore "I'd rather be killing Communists" T-shirts bulging with bellies and guns. The women, eager to please, turned up in long dresses cut to the navel or flak jackets over black leather skirts. "Be pleased, Lord," the soldier-preacher intoned, "to grant your armies victory over the powers of darkness."

Whereupon a retired Salvadoran army colonel with a chest full of medals and a pencil moustache stood up to bestow "the Combat Star of El Salvador" upon Colonel Bob and 14 of his brave-hearted men for services rendered on behalf of freedom and democracy. Colonel Bob, the aging veteran of a thousand wars, stood eye to eye with Colonel Luis Turcios, once the commander of a battalion famed for its brutality in an army whose death squads killed 40,000 people. Colonel Bob saluted and then bowed his head. Colonel Turcios bent over and placed the ribboned medal over his neck. From tightened throats, a thousand roars rose.

Outside the hall, taking a smoke-break, sat Patrick Willis, from Bristol, and Ian Smith, from Liverpool. Patrick, who was 32, had spent five years in the French Foreign Legion and three as a mercenary in Croatia. Ian, who served in the British Army for six years, had spent ten months in Croatia with Patrick.

They were wearing suits and ties. They had come to the convention in the hope of finding work and are disappointed. "We haven't met one serious person here," said Ian. "Ninety-nine per cent of these blokes haven't fired a shot in anger in 20 years."

Patrick nodded, drew on his cigarette. A 20-stone Green Beret lumbered past. What did he make of all this? "Frankly, I haven't got the words to describe it. A game? Movies? Some American cultural thing? I don't know. But I can't help thinking, really, that it's a bit pathetic. A little sad."

Slovak police accused of aiding kidnap

Bratislava (Reuters) - A Slovak detective investigating the kidnapping of President Michal Kovac's son said yesterday that he would investigate letters allegedly written by a former secret policeman who claimed to have helped the abduction.

"We treat any information on this case very seriously and we will also do so with these letters," said detective Peter Vacko, who is investigating the case which has rocked Slovak politics.

The letters, sent to Mr Vacko and some independent dailies, alleged that the state intelligence agency, the Slovak Information Service (SIS), had been involved in the kidnapping of Michal Kovac's son near Bratislava on 31 August.

There was no confirmation whether the letters, written by an unnamed person, were genuine or a hoax.

But Mr Vacko said: "It would be natural that a person, afraid for his life would try to announce some important facts through the media."

Kovac's son was dumped in Austria and he is now out on bail waiting for a Vienna court to decide whether he should be extradited to Germany, where he is wanted on suspicion of fraud.

The abduction took place amid a feud between the President and the Prime Minister, Vladimir Meciar.

It has provoked speculation of SIS involvement. The SIS is headed by Ivan Leca, a close Meciar ally and enemy of the President. The government has denied any involvement in the case.

In one of the letters, published by the newspaper *SME* on Wednesday, the writer said he had been the member of an SIS group ordered to follow Kovac's son since 28 August, and to help in the kidnapping three days later.

At the moment of the crime their SIS cars had blocked the road to help another group abduct Kovac's son.

"I don't know who the members of that other group were, I don't know even if they were from the SIS," he said.

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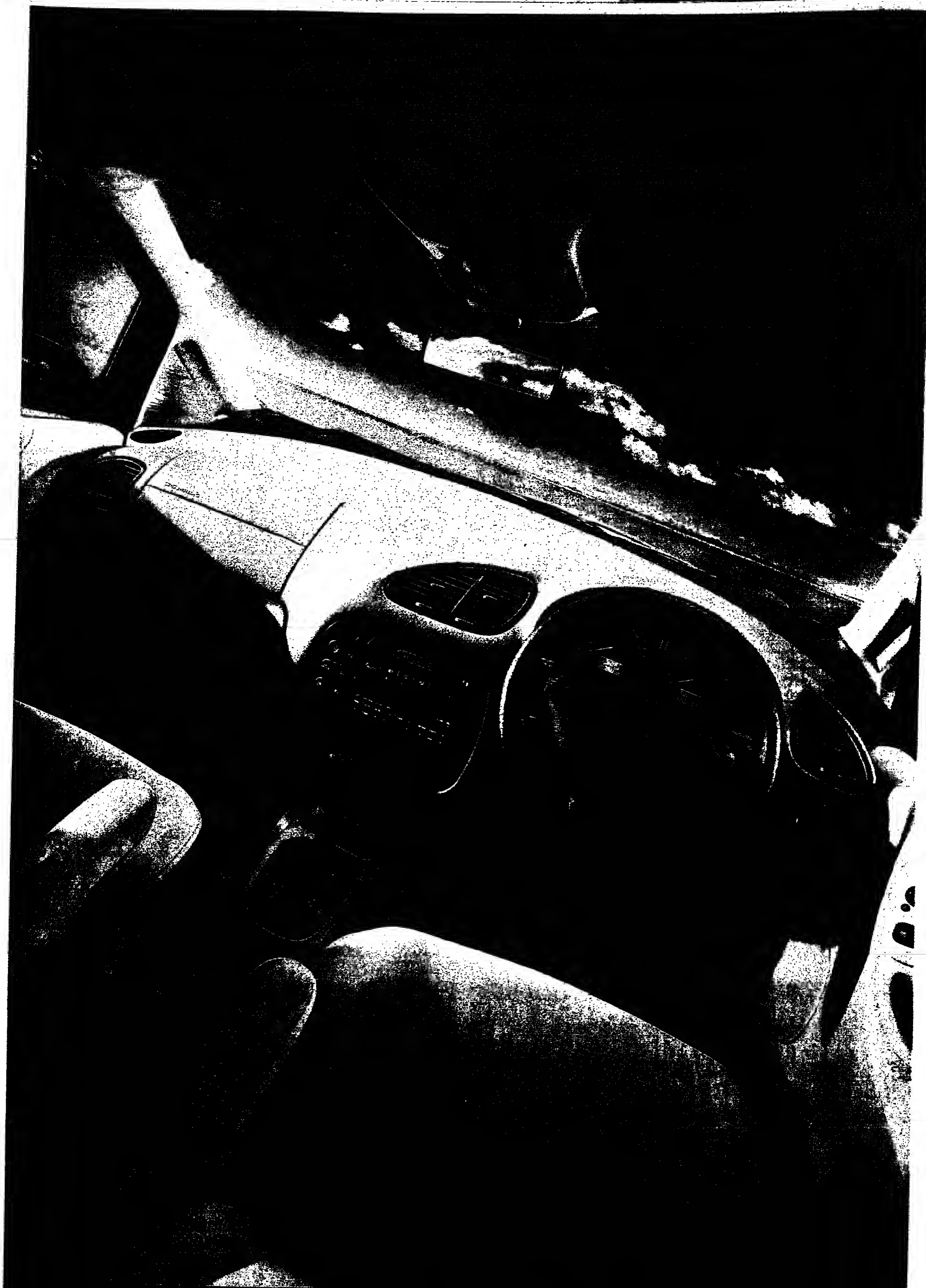
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Poland's reform is safest with me, says Walesa

Jacques in the box Protesters from the Dutch Socialist Party and Greenpeace Belgium (behind) demonstrate in Brussels yesterday against French nuclear testing

The government is forecasting an average monthly inflation rate of 1.2 per cent next year, down from 6 to 7 per cent forecast for 1995.



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international

Comoros coup: Paris backs government of national unity as mystery surrounds fate of white 'colonel' who seized power

Dawn invasion ends short-lived uprising

STEPHEN JESSEL
Paris

A six-day coup in the Indian Ocean archipelago of the Comoros Islands ended yesterday with an invasion by hundreds of French troops and contradictory reports about the surrender of the 66-year-old French mercenary who led the coup.

In an operation codenamed "Azalea" several hundred French troops, chiefly drawn from units stationed in French territories and bases in the region but also including special units flown in from mainland France, landed at dawn on the main island of the archipelago, seizing two airports and the immediate surrounds of the French embassy.

The troops, which included Foreign Legion detachments from the French island of Mayotte, were supported by Puma helicopters and French naval units. "Colonel" Bob Denard, the veteran mercenary, freed President Said Mohamed Djohar, whom he had been holding since launching the coup last Thursday and was initially re-



ported to have surrendered, less than 20 hours after the French intervention. But later reports said he was still negotiating with the French authorities.

Early reports suggested that there had been a number of deaths near the airports but that French troops had suffered no major casualties. France's decision to send troops to the Comoros Islands—reversing Prime Minister Alain Juppé's earlier declaration that there would be no military intervention—was taken in the light of the damage the coup was doing to the future of the archipelago.

French foreign office officials said yesterday. The officials also attributed their about-face on intervention to the international outrage at the coup.

The intervention seems to have taken place as soon as was practically possible after the coup. The outcome of the coup—the removal from power of President Djohar—does not appear to distress Paris.

A statement from the Quai d'Orsay said that the military intervention followed a request by Comorian Prime Minister Saambi el Yachourti, who sought asylum in the French embassy after the coup, invoking the defence agreement between the two countries signed in November 1978.

It was Mr el Yachourti who announced an amnesty for the

400 to 700 Comorians implicated in the coup—though not for the 30-odd white mercenaries led by Denard—and the establishment of a broad-based government of national unity to be formed after consultations with all parties including those in opposition.

French officials said the aims of the intervention had been to remove the mercenaries, described as "criminals", and to restore constitutional order. They declined to say whether a restoration of constitutional order implied the restoration of President Djohar, who enjoys only limited support among the 450,000, chiefly Muslim, inhabitants of the Comoros, preferring to emphasise their support for the new government of national unity.



Defeated: French troops marshal captured rebel soldiers at Moroni airport, Comoros, yesterday

Mercenary kept his French connection

Bob Denard, alias Colonel Bob, is the mercenary's mercenary, involved in more than one murky coup in more than one turbulent country, writes Stephen Jessel.

Alias Gilbert Bourgeaud, alias Said Mustapha Mahdjou, he was born on 7 April 1929, in Bordeaux. His connection with the Comoro Islands goes back at 20 years, when he helped Ali Solih to power. He fell out with the new president, turning his attention to the west African state of Benin and an abortive coup there, before returning to the Comoros where he engineered the overthrow of his former protégé and installed Ahmed Abdallah as a puppet president in 1978.



Bob Denard: Murky coups

Denard, who has Comorian citizenship, was technically commander of the Presidential Guard but to all intents and purposes was regent of the country until Ahmed Abdallah died in obscure circumstances in 1989. Denard was widely reported to have been implicated in Abdallah's death.

He was then evicted by French troops and went to South Africa before returning to France in 1993 where he was convicted in April of that year for his role in the Benin coup and given a five-year suspended sentence. But at his trial a series of more or less shadowy figures from the intelligence services made it plain that Denard's buccaneering mercenary career had, on some occasions, the blessing of the French state.

It was suggested that the relatively light sentence might have been a trade-off for Denard's silence on certain sensitive issues, but the man himself said nothing.

He founded a security firm and seemed to be doing well, trading on his African contacts. He is still under investigation for his role in the death of Abdallah in 1989.

IN BRIEF

British 'betrayal' of Hong Kong

Hong Kong — Martin Lee, Hong Kong's leading democrat, accused Britain of sacrificing the colony's interests for the sake of smooth trading ties with China, saying the Government had failed to confront Peking's threat to dismantle Hong Kong's legislature. But most Hong Kong newspapers welcomed agreements reached in London during the visit of China's Foreign Minister, Qian Qichen, to smooth the handover to China in 1997. AP

Islamic outrage burns in Lyons

Lyons — Youths angered by the police killing of the Islamic radical Khaled Kelkal, a terrorist suspect, set fire to rubbish bins and 20 vehicles in unrest in Lyons' poor, heavily immigrant suburbs which has continued since last Friday. AP

Algerian customs officers murdered

Paris — Suspected Muslim guerrillas overcame three customs officers manning a roadblock in western Algeria, slit their throats and seized their weapons before escaping. Reuters



Hardliners mourn

Moscow — Alexander Rutskoi (left), a ringleader of the 1993 parliamentary revolt, and Gennady Zyuganov, head of the revived Communist Party, led a crowd of 2,000 hardliners mourning the 123 people who died in the violence. Deputies observed a minute's silence at the start of a new session of parliament. AP, Reuters

'Alternative Nobel' for Timor campaigner

Stockholm — Carmel Budjardo, a British-based campaigner against Indonesian repression of East Timor, was among four winners of the \$250,000 Right Livelihood Award, Sweden's "alternative Nobel". The award recognises people or causes overlooked by the prestigious but sometimes contentious Nobel prizes. AP

Catalans issue election ultimatum

Madrid — Jordi Pujol, leader of Spain's Catalan nationalists, who hold the balance of power in parliament, said he would back a motion of censure if elections are not held by 24 March. His party withdrew support from the Socialists last month, leaving Prime Minister Felipe Gonzalez in a minority. Reuters

Iran jails women who killed missionaries

Tehran — An Iranian court jailed three women for killing two Protestant ministers and attempting to bomb Muslim shrines. Farahnaz Anami, a 31-year-old business student and employee of the National Iranian Oil Company, was jailed for 30 years, and two others received 20 years each. Reuters

Capital exposure for Euro-weekly

Brussels — The first issue of the weekly *European Voice*, aimed at 6,000 MEPs, EU diplomats and European Commission officials, as well as the myriad business groups and lobbyists who seek to influence them, is due to reach subscribers today and to appear on news stands in all 15 EU capitals tomorrow. Reuters

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Adoring US flock ready for the Pope – but not his views

DAVID USBORNE
New York

Pope John Paul was heading for New York yesterday to begin a four-day visit to the United States, the country he likes to call "God's playground", but with which he has an increasingly complex and strained relationship.

Hundreds of thousands will greet him at three outdoor masses, in New Jersey, New York's Central Park and Baltimore. Today he will address the United Nations General Assembly.

But behind the cheering and the moments of shared worship will be the background noise of deepening dissent among America's 56 million Catholics if not with the leadership offered by the Pope himself.

whom they adore, then with his strict positions on issues of reproduction, gender and sexuality.

The devotion among American Catholics for the pontiff seems virtually unaffected by the debate on his actual teachings. Whatever they think of the message, they apparently still favour the messenger. An opinion poll published yesterday by ABC TV and the *Washington Post* indicated an 82 per cent approval rating for the Pope and for his stewardship of the church.

When it comes to the parts of the message, however, they flee him in droves. According to the same poll, 93 per cent of American Catholics believe practising birth control is acceptable, 85 per cent think divorcees can still be good Catholics and 69 per cent said women who have abortions could also be good Catholics. Other polls have shown majority support in the US for women priests and a married priesthood.

Most sensitive among all these issues, because it crosses so completely into American political debate, is abortion. It was expected to be raised during a brief meeting yesterday between the Pope, directly after his plane landed at Newark International Airport, and President Bill Clinton. The President is in favour of free choice on abortion, the pontiff, by contrast, has urged a world-wide

campaign by Catholics to oppose it.

In turn, the Pope is known to have mixed feelings about the US. "God's playground" it may be, and without question its Catholic Church, with its considerable wealth and huge following, is one of the most vibrant in the world. But he also sees the US as a place in moral decay. In recent weeks he has warned of the new enemies of hedonism, greed and consumerism – phenomena not unknown in America. In a recent address, he noted that the "light of Christ" came from the East and that the "West has need of this light".

At the UN today, the Pope is expected to urge greater work on protecting human rights and ending strife in Bosnia and Africa. On his flight yesterday, he spoke of the need also to shore up the UN itself. "One speaks much about the crisis of the United Nations but even if it is in crisis it must be safeguarded because it is worth having this ... family of nations," he said.

The "pilgrim Pope", meanwhile, will spend his days in New York cocooned in unprecedented security. As far as is possible, he will be transported by helicopter or inside a "Pope-mobile" fitted with a double dome of bullet-proof glass. It will be much different from the last time he was in the Big Apple, in 1979, when he rode the streets in an open limousine.



Homeless: A woman comforts another whose house was damaged in an earthquake in Dinar, Turkey, three days ago. Photograph: Lynne Siedky/AP

TOKYO DAYS

Where lavatory humour hits the bottom line

Some gags never fail to cause hilarity, and the Japanese Toilet Squirting Routine is one of these. I had the pleasure of witnessing it again at the house of an Australian friend. All the necessary elements were in place: a polite dinner party atmosphere, a newly arrived expatriate – known in Japanese as *rana gajin* (raw foreigner) – and, most important, a modern Japanese bathroom.

The Routine goes like this: Scene: an expatriate dining room. Profiteroles are being served.

Raw foreigner: Excuse me, darling, but where's the ...? Could I ...?

Hostess: Of course, it's the little door on the left, just behind the ... that's the one!

Hostess looks knowingly around assembled guests. Guests fall silent with sadistic smirks. Somebody sniggers.

Pause.

Raw foreigner (off): Eek!

She scampers back in, water dripping from clothes, hair and earrings.

Raw foreigner: It ... it just went off in my face!

Assembled guests convulse with laughter, fall off their chairs, choke on their profiteroles.

There are few more dangerous and unpredictable domestic appliances than the Japanese lavatory. The torture comes in two kinds. At one end of the scale are the traditional squat lavatories still found in a surprising number of offices and railway stations. The hazards of these are familiar to many travellers in Asia. You need the calf muscles of a hardened skier to suspend yourself painlessly over the ceramic trough. Even when you are in position there is the constant danger of change, keys and perhaps passports slipping out of pockets and into the abyss.

But just as deadly in their way are the top end of the range: the techno-toilets which are *de rigueur* in well-to-do homes. The simplest model is called the Warmlet and contains a heating element in the seat – very comforting on cold days. Then there is the Washlet, a much more complicated affair, with a bank of controls which would not be out of place on the bridge of the starship *Enterprise*. As well as the heater, it features a bidet and blow-dryer – all in the single ceramic bowl. Each function has its own button, and there are dials controlling the power and temperature of the water jet. The problem is the functions are labelled only in Japanese.

This was the undoing of the victim at the dinner party. Having finished her lavatory business and washed her hands, she

chose a button at random, hoping it was the flush. Immediately, a small, angled nozzle extended itself with a whirl under the rim. Without warning, it sprayed hot water straight into her face. She will never make that mistake again.

The ingenuity of the toilet wizards is not confined to the private home. Many urinals in public buildings are equipped with a light sensor which detects the presence of a customer and flushes automatically when he moves away.

Plans have just been unveiled to install a new type of mobile toilet for climbers on Mount Fuji. According to reports "it uses a kerosene heater to dry-hum human excrement, considerably reducing the volume of such waste and facilitating collection."

Japan's biggest toilet manufacturer is Toto, a visionary corporation which once advertised the Warmlet with the slogan: "Your bottom will like it after three tries. Don't let people say behind your back that you have a dirty bottom." Toto's

Watch for the Squirting Toilet Gag – coming to a bathroom near you soon

big 21st-century project is the so-called Intelligent Toilet, which will automatically process and analyse waste and warn the householder in advance of any medical worries. But the company has a problem. Despite its immense domestic popularity, the Washlet has entirely failed to catch on overseas. In 1993, 720,000 techno-loos were sold at home at 100,000 yen (£635) each, but only 720 in the whole of Europe, most of them to overseas Japanese. So Toto has set up an entire department – the New Concept Group – to get to the bottom of this imbalance. Questionnaires have been dispatched, and foreigners have been whisked off to mountain retreats for research weekends where their views on toilet hygiene are eagerly canvassed by marketing men.

The latest buzz is that Toto has come up with its New Concept – a "Western Washlet", tailored specifically for foreign buttocks, which will be in the shops in the next couple of years. Watch out for the Squirting Toilet Gag, coming soon to a bathroom near you.

RICHARD LLOYD PARRY

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Labour – must try harder

Yesterday's respectable old Labour, in the appropriately jowly shape of the former deputy leader, Roy Hattersley, had its say about education. There should be one, undivided service, he told the conference, a single "unified system of comprehensive education". To that end he condemned the education spokesman, David Blunkett's plans to allow grant-maintained schools to hold a slightly different status from ordinary schools. He was not mollified by Mr Blunkett's assertion that such questions of structure were beside the point. Standards and structure were bound together and could not be separated, he argued.

On this last point Mr Hattersley is surely right. Of course Mr Blunkett and Mr Blair deserve credit for their stress on improving the quality of teachers, for accepting the need to measure performance and for sending out clear signals about the intention to raise standards. But there is nevertheless something unsatisfactory about the leadership's current attempt to sweep under the carpet the question of how and by whom access to education is to be controlled.

In the first place, according to Mr Blair, new Labour's crusade for education (unlike Mr Hattersley's) embraces the idea of a diversity of schools. The Labour leader painted a picture in which there would be schools which emphasised music, or maths, or design. "Schools with a specialism that brings out the best in their pupils", as he put it. This vision of the education system is both more attractive and more relevant than the bureaucratic egalitarianism of the Hattersley camp.

But on what basis will children be allocated to such schools? Labour has set its face against selection either by examination or by parental interview. At the moment geographical proximity ("catchment") is the main factor in the state system. Such a system cannot coexist with the

development of more specialised schools. So, just as denominational schools demand some level of religious commitment on the part of parent or child, specialist schools would need to be assured of some level of aptitude. Some form of negotiation between parent and school is inevitable; the challenge is to develop a set of criteria which is transparent and which allows as much weight as possible to the view of the parents. We have as yet no idea about how Labour thinks this might be done.

Mr Blunkett's stance is that a new education system for a new Britain will come about through a drive to raise standards in schools through the efforts of boards of governors, local education authorities, inspectors and the government. These bodies will employ headteachers, monitor performance and take any necessary action. Which is fine as far as it goes. What it completely fails to do, however, is to harness the perceptions, desires and choices of the parents themselves as an organic driver of standards. Yet, as we have discovered in practically every other area of service provision, allowance for consumer choice provides an important stimulus to improving performance and signalling when things are going wrong.

To be fair to new Labour, there are formidable practical difficulties involved in giving practical shape to the ideal of parental choice. We have not yet discovered how to "grow" popular schools, while managing the decline of those that are failing. But it is depressing that Mr Blunkett and his colleagues, despite seeing off the Hattersleys, have set their faces so sternly against any discussion of vouchers, even experimentally in extending access to nursery education. As a result of such restricted vision they are in danger of leading a crusade not to the Promised Land, but only as far as the Slightly Better Land.

The war crimes of Croatia

President Franjo Tudjman's government came to power in Croatia claiming to represent democracy, European culture and Christian values. Its conquest of the rebel Serb areas of the Krajina was accompanied by renewed bombast to that effect and drew applause from Croatia's sponsors, Germany and the United States. It is now clear that Croatian forces committed widespread murder against elderly Serb non-combatants while looting and burning Serb homes. Under any of the international legal conventions which Croatia purports to recognise, these are war crimes.

The European Union and the United Nations have both gathered compelling evidence of Croatian atrocities. The human rights group Helsinki Watch discovered that 12 Serb civilians aged between 60 and 85 were slaughtered in a village near the fallen Serb "capital" of Knin. Then their corpses were removed by helicopter to Knin for burial in secret. The report criticises the degree of official complicity in criminal acts which it reveals. It is no longer credible for Croatian ministers to explain such excesses to their European colleagues as the work of isolated units. A government that claims closer kinship to Vienna and Paris than to Belgrade and Sarajevo must be measured by the standards it sets itself. President Tudjman cannot act by the rationale of racial supremacy at home and pose as a sophisticated democrat to the rest of Europe.

Nor can the atrocities in the Krajina be excused with the lament that Serbs and Muslims are also guilty of war crimes. The values of the rule of law and the observance of human rights are indivisible.

There has been so much hand-wringing over Europe's failure to avert tragedy in the former Yugoslavia that we may think it impossible to do much about these latest atrocities. That is not so. It is precisely because Croatia seeks to distinguish itself from the other states of former Yugoslavia that it is vulnerable to pressure. Its European aspirations furnish a lever to correct and restrain its conduct.

Croatia should be told that it can expect no political favours and extract no economic concessions from the European Union unless this behaviour ceases and the guilty are brought to justice. The same stance should be taken by all European institutions whose membership confers respectability on the government in Zagreb. If Germany wishes to speak up for Croatia, that is its privilege. Other foreign offices and ministers will no doubt protest the risk of upsetting the peace process and the undesirability of annoying Mr Tudjman. That is as much self-deception as the declaration by the US ambassador in Zagreb that the flight of at least 140,000 Serbs from the Krajina "was not ethnic cleansing". We cannot thunder moral indignation at the Serbs while granting the Croats a licence to murder. In this case Europe can make a difference – and it should.

ANOTHER VIEW Matthew Lonsdale

We have been misinformed

Overall, I have faith in the value of the same year as Dahmer committed serial murder, society chose to honour the depiction of that practice by making *The Silence of the Lambs* an Oscar-winning film. And Animal Welfare is being offensive?

What Dahmer did is shocking; the plain telling of that story in a broadsheet newspaper patently is not, and the ASA ought to be made to stand in the corner of the classroom until it has worked out the difference.

The charge of unproven facts attracts me. Being unable conclusively to prove something has now become synonymous with misinformation and exaggeration, has it? If I argued with the ASA that, in a good cause, it is sometimes necessary to stretch the truth, it would come down on me like a sculpture of bricks. But do you remember "Labour's Double Whammy"? Do you recall an entire Tory election campaign fought on the "we-won't-tax-you-but-they-will-lots" platform? Might that also have been misinformation or exaggeration? And having bought the Tory party, we cannot take it back to the shop the minute we find the claim faulty, can we?

I suspect the ASA of double standards here. Greenpeace is an easy target; Tories less so. The charge of offensiveness should be dismissed, in this context, as irrelevant; and on the charge of misinformation we, the jury, find the precedent has been set by the Government.

The writer is a director of McCann-Erickson Advertising Limited.



LETTERS TO THE EDITOR

Verdict that has split America

From Mr Trevor Lyons
Sir: It appears the OJ Simpson trial and verdict has split America on a simple black/white racial divide. How much better it might have been had the US abandoned the binary "guilty/not guilty" model in favour of the traditional Scottish system with verdicts ranging from "guilty" to "not guilty" via "not proven".

Had the OJ jury been able to select the "not proven" verdict, the prevalent sentiment that "we're pretty certain you did it but they haven't quite proved it" could have been expressed. With a "not proven" verdict, OJ would still be free, but the patent injustice of a full acquittal could have been avoided. However, would have been satisfied, and racial tensions might have been calmed.

One should not forget that any criminal justice system exists not solely to punish the offender, but also to give solace to victims and their relatives. A "not proven" verdict would have provided a useful neutral starting point for any subsequent civil case for compensation.
TREVOR LYONS
Senior Lecturer in Law
Staffordshire University
Stoke-on-Trent
4 October

From Ms Maia E. Adele
Sir: As a holder of both British and American nationality, I would like to beg the British public to stop their incoherent complaining about the state of the UK judicial system and thank the Lord (or whoever) that they are not prey to the US system which, by now, must have been exposed to even the most believing among us as being corrupt, biased and hilariously misguided. The OJ Simpson trial was surely the end of US justice. Will there be reforms, and changes in the system to control the media accessibility to courtrooms? Sadly, I do not think so.

This has been the most enjoyable television Americans have seen in years, as the consistent viewing figures have demonstrated, is possibly a reflection on the dreadful quality of US TV programmes, but more probably a reflection of how Americans have been persistently bludgeoned into believing that this was some kind of trial about racial issues instead of a murder trial.

As a criminologist I find the whole situation farcical, incredible, but, more sadly, unsurprising. There are admittedly many flaws in British justice, but before you shout about them in future – count to 10 and think of OJ Simpson.
Yours,
M. E. ADELE
Brighton
4 October

From Mr Paul Ashton
Sir: If Lord Lucan is alive, perhaps he should consider turning himself in to the Los Angeles police for trial there.
Yours faithfully,
PAUL ASHTON
Eastbourne, East Sussex

Letters should be addressed to: Letters to the Editor and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

It may be ugly, but it's part of our heritage

From Mr David Morton
Sir: Peter Popham ("Brutalist, original, but a slum", 2 October) raises the contentious issue of listing buildings less than 30 years after they were constructed.

There is as yet no unanimity of view about modern architecture and townscape. The Royal Town Planning Institute carried out internal consultation on the 40 modern buildings that the Secretary of State for National Heritage has proposed for listing. There was general agreement that some should or should not be listed, but on the majority there were widely differing views. There is clearly a need for a debate, involving the public as well as the various specialists, about which elements of modern architecture and planning should be preserved, and it will obviously take time for a consensus to develop.

It may seem difficult to believe now that, in say, 30 years, there will be general support for modern architecture, or for some of its schemes, as examples of the development of town planning; but the same could have been said about Victorian townscape 25 years ago. It took 60 to 90 years before Victorian buildings became obsolete. Because of the increasing speed of economic change, modern buildings reach that stage within 30 years, and are then often demolished or substantially refurbished.

We must face up to the difficult decisions of listing a good and representative sample of post-war buildings now. No doubt, our successors will think that some of the choices made were mistakes, but that is preferable to there being a visual gap in the architectural and planning townscape development of the country in 30 or 40 years.
Yours faithfully,
DAVID MORTON
Convenor, Conservation Panel
Royal Town Planning Institute
London W1
3 October

From Ms Rosalind Gill
Sir: While working as a housing visitor for Tower Hamlets Council, in the early Eighties, I had the dubious pleasure of visiting flats in both Keeling House and Robin Hood Gardens to assess the tenants' housing needs. The overwhelmingly consistent message then, and over the subsequent 15 years of my housing career, is that people want to live in houses with gardens.
Surely the best criterion by which to judge the merits of a building is: does it adequately serve the purpose for which it was built? Clearly, in the case of Robin Hood Gardens, the resounding answer by its occupants would be "no".
The Victorian slums were

reviled not for their poor architectural merit, but because they lacked basic sanitary amenities. The basic design of the two-storey terraced house has endured and continues to be an acceptable model. These are spacious grounds, therefore, to lead us to believe that in a couple of generations buildings like Robin Hood Gardens will come to be appreciated.

For the benefit of future generations, Peter Smithson (co-architect of Robin Hood Gardens) believes, the building should remain untouched. That is cold comfort for its current occupants, most of whom I suspect are not able to exercise their choice to live elsewhere. When he says it is "highly difficult" to make changes to a building like this, I suspect he is referring to the aesthetic profile of the design, rather than relatively simple improvements such as a co-ownership system, which might just make a positive difference to the lives of the tenants.

I am dismayed that architects like Smithson do not seem to have learnt the all too obvious lessons from their mistakes. List Robin Hood Gardens? Forcing it might be more appropriate!
Sincerely,
ROSALIND GILL
London, SE9
2 October

Education test for new Labour

From Mr Neil McIntosh
Sir: As the Labour Party heatedly debates the future of grant-maintained (GM) schools, it is worth asking what the fuss is all about.

To argue for abolishing GM schools because they are more generously funded seems perverse. Easier, surely, to equalise the funding. Opposition on the grounds that GM schools are undemocratic seems equally odd, except in the case of those socialists who believe all publicly funded provision should be undertaken by one monopoly supplier, which would destroy all housing associations and many other voluntary organisations.

The accusation that GM schools are selective is more difficult. Many of the schools that went grant-maintained early on had no interest in becoming more selective. The main stimulus was the desire for control over their own resources and liberation from local authority inefficiency. There are GM schools that have been markedly successful in increasing local involvement and support.

But, typically for British politics, the debate on how schools should be organised has been pursued as if there are only two

possible points of view. GM status, which had attracted the support of many people by no means on the right, was presented by the teaching unions and local authority bureaucracies as an exclusively right-wing device, a sort of privatisation by stealth. Of course, many Conservatives did support GM status to permit selection of pupils and that, coupled with the fact that the active support of this government has sounded the death knell of many sound ideas in recent years, has made the criticisms of the left a self-fulfilling prophecy. Only those with a strong ideological drive are likely to be prepared to face the quite ridiculous degree of opprobrium that a declared wish to go grant-maintained will attract.

If I were likely to be offered a job in Westminster in the near future and knew that job would give me minimal time to be with my children and would put them under very unusual pressure, I would be deeply disappointed by colleagues who criticised me for sending those children to the best state school available in that area. Similarly, if I were the parent of a child at a school which,

without changing its pupil intake, had improved hugely since going GM, I would find it hard to forgive any political party that risked destroying what had been achieved.

Yours faithfully,
NEIL MCINTOSH
Chief Executive
CBET Education Services
Reading, Berkshire
2 October

From Mr Trevor Cox
Sir: If new Labour is based on the democratic principles of community and social justice and not just on Marxist dogma, there is no reason why it should not preserve and develop the Government's Assisted Places Scheme, which enables bright youngsters whose parents cannot afford the fees to go to independent schools.

There is no community when only the rich can send their children to the best schools; there is no social justice if many of the brightest have no access to the best education.

This question is the most crucial test of genuine socialist conversion I can think of.
Yours sincerely,
TREVOR COX
Croydon
3 October

Imperial defence

From Mr C. S. McMenamin
Sir: What a confused argument Charles Pyffe (Letters, 4 October) makes against the metric system! He claims that metric is at once too simple and too difficult to use, and attempts to induce from the fact that 1,000 cc (1 litre) of pure water weighs 1kg that the "cent" litre (1/100th of a litre) and the cubic centimetre should be equal. Fortunately, these arguments (and the majority of others of the same vein being used at the moment) will not stop the rest of this country's population getting on with their daily business, in whatever system of measurement.

The parallels of this change with monetary decimalisation in the early Seventies are many, and just as then it will prove to be a sensible one that makes people's lives easier. In the meantime, I suggest Mr Pyffe saves his sight and starts to use the centimetre to measure length; it's about two-fifths of an inch.
Yours faithfully,
CONOR MC MENAMIN
Brighton
4 October

From Mr Michael Smith
Sir: I am disappointed with your paper's glib writing off of the imperial weights and measures system ("Drop your feet and use

your fingers," 30 September) and suggestion that no one will regret its passing. This is in marked contrast to your support for another venerable institution, Greenwich Naval College.

While bound to support your campaign on behalf of Greenwich, I do not accept your basic premise that the Imperial system is difficult to use and therefore it should be abolished. I will continue to use the imperial system in my own home whatever the Independent's view of what is – or is not – of cultural and traditional importance.

Yours faithfully,
MICHAEL SMITH
Ware, Hertfordshire

Marshall Plan for Bosnia

From Mr John Pedler
Sir: For over a year now several observers, including myself (Letters, 13 May 1994), have been lobbying for a mini-Marshall Plan for Bosnia, to be offered to both sides in the conflict before a ceasefire as a means of obtaining peace. The donor powers, meeting in Rome on 5 and 6 October, should consider this option.

Until the Croatian and Bosnian offensives in Krajina and north-west Bosnia, the only likely peace would be an unstable ceasefire as a means of obtaining peace. The donor powers, meeting in Rome on 5 and 6 October, should consider this option.

Now another peace is tantalisingly near: a unitary Bosnia-Herzegovina with a Serb autonomous region and the prospect of reannexation of the Serbs, all groups having their security guaranteed by Nato forces.

Peace by diplomacy invariably reflects military and economic realities. If the international community wants to shorten the fighting, it should offer its reconstruction basket to both sides now on the strict conditions that Brian Atwood, head of the US Agency for International Development, spelt out last week: human rights, disarmament, voluntary return of refugees, and normal relations between the three countries concerned.

If the extremist Serb leaders refused, as Stalin refused the Marshall Plan, the discount of large numbers of demoralised Serbs could destabilise them. (As those of us who have visited Republika Srpska know, morale is its Achilles' heel). If they accepted, real peace would have arrived. Let us hope that, at Rome, donors will let money talk now.

Yours sincerely,
JOHN PEDLER
Opština, Croatia
3 October

Chirac's big risk

From Dr Christopher Williams
Sir: Further French testing raises a crucial question. How in the future can we prevent a single national leader posing a threat to global security against global democratic will?

Chirac's actions stem from political self-interest, not concern for global safety. President Mitterrand had suspended tests, so they are not imperative. As other nations do not now need primitive "does it go bang" testing, the main effect on French science is to advertise its inadequacies.

People are not ignorant of the need to take risks to improve security, but risk must be shared. The post-Chirac era must be marked by an end to risk-taking that enhances the security of some at the expense of the security of others.

Yours sincerely,
CHRISTOPHER WILLIAMS
Environmental Victims Project
Global Security Programme
University of Cambridge
Cambridge
2 October

مكتبة الامم المتحدة

comment

Star-spangled banner of justice

The OJ case has overshadowed America's great commitment to its system of law, says Gary McDowell

The past year has seen intense scrutiny placed on the criminal justice system of the United States, from debates over the morality of the death penalty to the trial of OJ Simpson. For the most part, commentary has been less than favourable; the acquittal of Mr Simpson now seems to have confirmed the worst suspicions of a good many people.

It would be foolish to suggest that the system is flawless; thus does it merit two, rather than a rousing three cheers. But it is as good as any, and better than most, and deserves a great deal more respect than it has been getting.

The OJ Simpson trial is a case in point. The combination of the high profile of the defendant, the extraordinary legal defence team his wealth allowed him, the never-ending eye of television coverage and, of course, the jury's conclusion after only four hours of deliberation that he was not guilty as charged, has obscured more about the criminal justice system than has revealed.

The fact is, the system worked pretty well. But it has been nearly impossible to see that because of the inordinate attention given to the racial aspects of the case. Throughout the often mind-numbing twists and turns of the process, one had the impression that racism in America was on trial, not a man accused of two counts of murder.

The seemingly endless delays and procedural detours, the side-bar conferences between legal counsel and Judge Lance Ito, and the various motions on this or that minute and arcane point, were a constant source of irritation to most people. Such details got in the way of the big questions: did this rich and famous black man kill his attractive white ex-wife and her male companion or not? Perhaps more important, would a predominantly black jury in racially torn Los Angeles ever convict such a man? Drama, not due process, was what caught the attention of a worldwide public.

But in truth, it is precisely those mind-numbing twists and turns, the delays and detours, and the obscure questions of process that make the American legal system worthy of admiration. It is the commitment to due process of law, even in a case as unusual as that of OJ Simpson, that makes America shine.

The process was such that even with his wealth and fame, Simpson was charged and

Reasonable doubt is all it should take to preclude a verdict of guilty

ing legal counsel being provided, writs of habeas corpus being issued, and countless other procedural niceties that, in sum, serve to see that justice is done.

Even those cases most horrific to some, those of convicted murderers spending years on death row while endless appeals are undertaken on their behalf, are the result of constitutional protections worthy of any civilised society.

No one would dare to say the system works perfectly. But it would be hard to think of any other system where one would be likely to do better if arrested for a serious crime than in the United States. Its aiding dedication to political liberty and the rule of law – however frustrating it may be – assures that the extraneous issues of the Simpson trial should not be allowed to overshadow that fact.

The writer is director of the Institute of United States Studies at the University of London.

Egalitarians versus angry parents

The education debate yesterday in Brighton produced a clash between two wholly different worlds

When a conference comes politically alive the result is exhilarating but brutal. From the deep heart of Labour's conscience came Roy Hattersley's roar of fury about selective schooling. Drama. Uproar. He was met by an angry counter-attack from David Blunkett. Sensation. We rarely see personal animosity so nakedly displayed these days. It was very satisfying.

More than that, though, it was a modest moment of history. Hattersley was speaking for Labour's historical egalitarianism, famously summarised by Tony Crosland's promise to himself to destroy "every fucking grammar school" in the country. Blunkett, though, was speaking as a parent who has two children at a comprehensive school today and knows what followed. And he carried the day.

Comprehensive education matters to Labour more than any other single issue except the NHS. This is partly because the party has so many members who are teachers and lecturers. But it's also because Labour is heavily dominated by middle-class people whose parents are, or were, working-class and who have risen in life because of free state education.

So the current failures of the comprehensive system, experienced by Labour parents, too, are a source of real pain to the party. They are rhetorically explained away as entirely the result of Tory meanness and Tory malice. Yesterday, the first speaker on behalf of the party's national executive, Catherine Taylor, offered three classic Labourist propositions on this theme. She told us that vandalism in

schools was a result of underfunding, that the Government was "trying to wipe out the teaching profession" and that "schools do not fail, but the system does." Wrong, wrong, wrong. Of course underfunding is real. Even the current Education Secretary privately admits it. Class sizes are too high, buildings are decaying, valuable teachers redundant. But who believes that more money, and nothing more, would reverse the middle-class flight from comprehensive schools? It is finally becoming permissible, even in the Labour Party, to admit that there's a lot more to say. There are bad teachers, ill-disciplined schools and a lazy lack of rigour to blame as well.

It may be that the single great disaster of British post-war education was that comprehensive schooling coincided with the fashions for child-centred teaching, mixed-ability classes and other experiments. Some of these may work for some children in some schools with very small classes. But in large mixed schools their results have been mostly bleak and sometimes catastrophic. A schooling revolution which was meant to liberate millions of children ended up by betraying many of them.

Yesterday, Roy Hattersley ignored this. He romanticised comprehensive schooling and, by denouncing a few selective schools, missed the point. The trouble isn't that some wicked headmasters are trying to pack their schools with clever children. It is that so many middle-class people are desperately trying to escape from comprehensive schools – and for very good reasons.



ANDREW MARR
Columnist of the Year

The Blunkett-Hattersley clash was really between different worlds

For the truth is that if the grant-maintained schools and the scattering of grammar schools were outlawed tomorrow, Britain would still have a two-tier education system.

It is difficult to pin down how many of those parents who can find the money to do so, currently send their children to private schools. According to the OPCS, there are 740,000 children who come from professional, managerial and skilled non-manual households, and 560,000 children in private schools. Some of the first group won't be able to pay private fees, some of the latter will be children from abroad. But this seems to confirm anecdotal evidence that a very large proportion of those who can buy their children out of comprehensives do so. And we haven't even mentioned the large numbers who have bought educational privilege through mortgages, moving to better areas. The

middle classes, in short, are leaving. The real question for supporters of state education is, what might bring them back? The Conservative answer has been "choice". But this looks like a dead-end: for most parents across most of the country, there isn't a real choice. A market in schools, like a market in anything else, requires there to be waste. A supermarket selling 10 kinds of sandwich throws away sandwiches each evening. An educational system offering varieties of school requires surplus places. Yet for sound public finance reasons, the Government wants to squeeze out every surplus place in the state sector.

Unless we are vastly to increase the schools budget or are prepared to allow different middle-class parents who stay with comprehensives, like Blunkett and Jack Straw, are the minority and parents like Tony Blair, who don't, are the norm. There's no point believing this is Britain now.

Blunkett wants to redeem state education by a political counter-attack on bad teaching, low standards, poor discipline and failed teaching methods. He wants a cultural revolution, rather than an organisational one. This is a difficult project for politicians to embark on, which involves confrontation with many professionals. I have my doubts about how much can be done. But no one who has heard Blunkett on the subject can doubt his determination to try. The iron has entered his soul about this.

For a fierce argument or a well-made sentence, there is no politician more valuable than Roy Hattersley. But as an Education Secretary, I'd go for the angry parent any day.

Labour's technology deal with BT could have unintended and unforeseeable consequences

Wired up to some big questions

Before you allow yourself to become too overwhelmed by the news that if Labour gets in, BT will connect every school and library to the information superhighway for free, ponder three facts. Number one is that Britain is already world leader in one aspect of computer software: somewhere between 30 and 40 per cent of the software of the world's computer games is written here. Number two is that some of the mobile phone companies already offer, "subject to status" of course, free connection to their superhighway. And number three is that in 1939, when the first television sets went on sale in America (the BBC had been broadcasting for years), the *New York Times* opined that it would never be a serious competitor to radio because "people must sit and keep their eyes glued to the screen; the average American family hasn't time for it".

The point about the first fact is that being computer literate is as much thinking of new games which enable more kids to kill more people on screen in more exciting ways as it is producing a new CD-ROM encyclopedia on the collapse of Roman civilisation.

The point about the second fact is that every sensible consumer business wants to get children into the habit of buying its products. BT's plan is much more akin to the sales gimmicks of the mobile phone people, or for that matter the way in which the soft-drink vending companies get their machines into schools, than it is an altruistic

effort to educate the nation. Far from it: the quid pro quo, that BT can sell services such as movies over its network, will allow it to continue making money in a world where phone calls themselves become virtually free.

And the point about TV in America? It is that history is littered with examples of people being either wildly pessimistic or absurdly optimistic about the take-up of a new technology.

In that particular example (taken from Bill Bryson's wonderful book on the development of American English, *Made in America*), the product was much more successful than the writer expected. But one has only to recall the *Eagle* children's comic of the Fifties to see the opposite effect. We did get to the moon pretty much on schedule, but space exploration has subsequently ground to a halt. And we still do not all have personal helicopters, jet-packs, or even those natty video phones on which Dan Dare and Digby used to hold their gung-ho conversations. The technology does exist for people to have personal helicopters – and a few company chairmen do; there are jet-packs – they have provided a spectacular finale for Michael Jackson's concerts; and video phones may at last be coming into their own; but none of these innovations is yet a commercial success.

So the fact that something is technically possible does not necessarily mean it will become a commonplace feature of day-to-day life.

And so it is with the information superhighway. I happen to believe that



HAMISH MCRAE

It is quite possible that the Internet may prove a passing fad, nice for nerds

our lives will be as radically changed by communications technology over the next 30 years as the lives of people were changed by the car between, say, 1950 and 1980. But just as no one foresaw in 1950 the impact the car would have on shopping patterns – the weekly shop at the supermarket instead of the daily trek to greengrocer, butcher and baker – so it is very hard to see the full social consequences of the coming advances in telecommunications.

It is a safe assumption that fixed-line phone calls anywhere in the world will become so cheap that there may not be any point in charging individually for them. We will pay a modest monthly fee to cover all calls anywhere in the world.

We can also assume that the high-

capacity links will carry anything we want them to carry: colour faxes and video phone links (at last); a movie or a CD-Rom; the latest TV news at the time we choose to see it; junk mail, if that is what we want. I expect, too, that there will be electronic translation services, so that if we wish to talk to a Japanese-speaking friend we will flick the set, on to translation and have some sort of conversation.

And maybe on the same system, maybe on a different one, we will have a mobile communications network that works, if we want it, anywhere in the world. We will probably have a single number or telecommunications name for life. Never again need we forget a phone number.

But there is a world of difference between what technologies can do and what we want them to do, or rather what we are prepared to pay for them to do. We will self-evidently pay an enormous amount for mobility. Mobile phones have been described, like second marriages, as a triumph of hope over experience, but their take-up is still growing at an astonishing rate. We will pay a lot for entertainment, judging by the experience of pay-TV shows for adults and the video games industry for children.

What is much less clear is whether there is really an enormous market for the goodies that enthusiasts for the superhighway claim. We may want 2,000 TV channels, but we may not. We may want to be able to video shop, but not if it costs a 20 per cent markup. We may want to e-mail all Rabbit's

relations, but we may not want to read the replies.

It is almost politically incorrect to say so but it is quite possible that the Internet may prove a passing fad, nice for nerds, and useful for information, like the share price page of a daily paper, but useless for the rest of us.

As for interactive TV, were it possible to deliver a really interactive service, like phone-in radio, the attractions would be enormous. But pretend interactive TV, where you talk to a pre-programmed computer, risks merely teasing instead of satisfying.

So giving every child in the land access to a computer and linking it to a broad-band communications network may simply mean that our children spend more time playing games rather than learning about environmental economics or classical civilisation. If that subsequently means we push our share of the world video games software market up to 60 per cent, then that is a bonus. Indeed, teaching people that trade in services is just as good a way of earning our living as metal-bashing is admirable. But it may not be what Mr Blair and his colleagues have in mind.

Nor do they fully appreciate what a world of high-capacity, virtually free communications could mean for their own trade. A world where skilled people can live anywhere and deliver their services on screen is one where national politicians are less and less powerful. If they do not perform to best international standards, the good people, plus their PCs, will walk.

BOOK REVIEW

Through the eye of Tony's needle

Tony Blair by John Rentoul
Little Brown, £18.95

and Whitehall to a degree unknown since the Napoleonic Wars. But the Labour Party is not much better, and Rentoul's account of Peter Mandelson and the apparatuses is menacing, even chilling. I am not myself privy to any of this. It only serves to emphasise the torments of Blair as he seeks to

thread his way through the eye of the needle.

What is most striking about this side of Rentoul's story is that the path was mostly cleared by Neil Kinnock, ironically an unbeliever, but possessed of immense moral and political courage. Kinnock told me, before John Smith died,

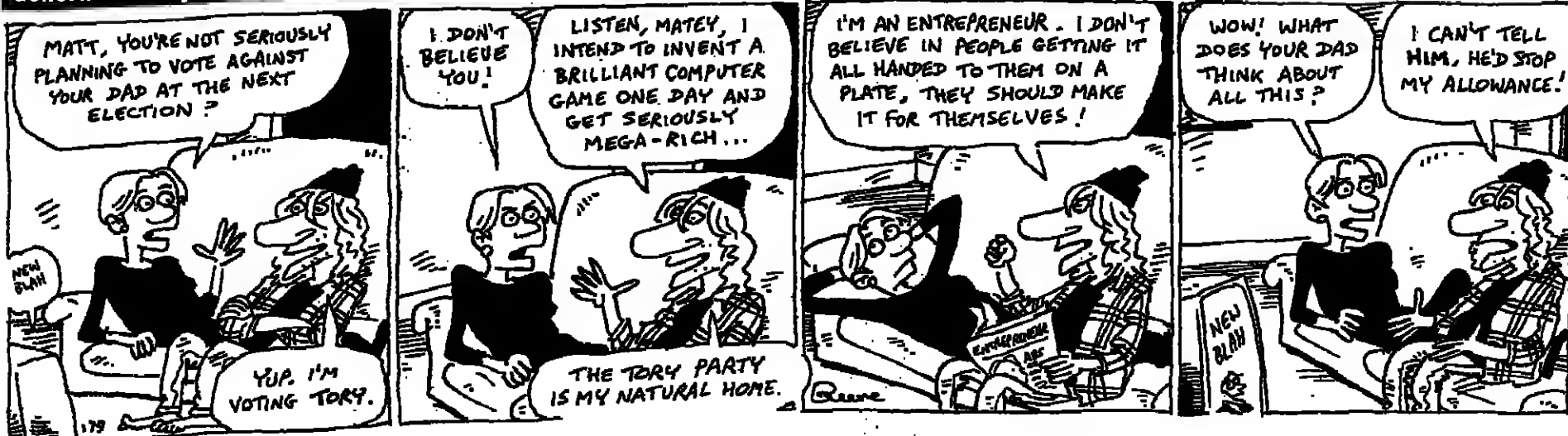
that Blair, above all other colleagues, was the most loyal, the most honest and the most prescient in advice to the leader.

So what will happen? I cannot believe Blair will be corrupted by "right-wing" betrayals (despite the siren voices of the electoral middle-ground and the fashionable media, and despite the natural temptation to do one's best for one's own children). Nor will the party be purified (though Kinnock certainly played Hercules in the Augean stables). Nor do I think we shall hear too much about Christian socialism. A successful party must command at least 30 per cent of the electorate and it will have to be persuaded by ethical socialism. Britain is probably ready to accept this broader appeal.

AH Halsey

by Tony Reeve and Steve Way

Generation Why



Who's looking out for wildlife?



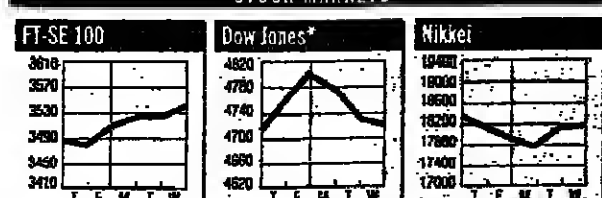
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MARKET SUMMARY

STOCK MARKETS



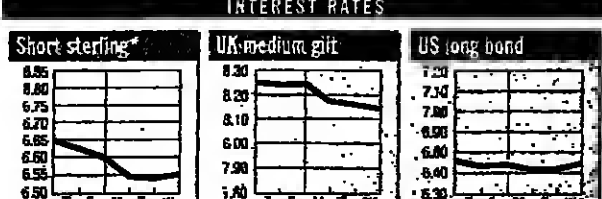
Index	Close	Day's change	Change(%)	12 Mth High	12 Mth Low	Yield(%)
FTSE 100	3544.1	+19.9	+0.6	3570.8	2943.4	4.0
FTSE 250	3983.8	+15.2	+0.4	3983.8	3300.9	3.4
FTSE 350	1770.7	+9.2	+0.5	1778.3	1477.0	3.9
FT Small Cap	1973.8	+2.2	+0.1	1993.1	1678.6	3.3
FT All-Share	1749.8	+8.6	+0.5	1749.8	1490.8	3.8
New York	4741.4	-8.3	-0.2	4801.8	3674.6	2.4
Tokyo	18145.1	+2.1	+0.0	20148.8	14485.4	0.8
Hong Kong	9940.0	+134.5	+1.4	9940.0	6967.9	3.3
Frankfurt	2217.8	+12.7	+0.6	2317.0	1911.0	2.0
Paris	1803.9	+3.2	+0.2	2017.3	1721.8	3.8
Milano	9779.0	-29.0	-0.3	10911.0	9265.0	2.0

Source: Reuters. Data as at 1500 hours. (Over hours graph at 1530 hours)

MAIN PRICE CHANGES

Index	Price(%)	Change(%)	Yield(%)
Vickers	262	17	6.9
Woods	128	6	4.9
Taylor Woodrow	111	5	4.7
Wimpey (George)	113	5	4.6
Wimpey	209	9	4.5

INTEREST RATES

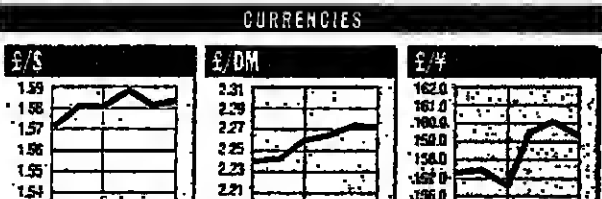


Source: Reuters. Data as at 1500 hours.

BOND YIELDS

Index	1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond (%)	Year Ago
UK	6.72	6.66	8.01	8.86	8.21	8.68
US	5.88	6.88	6.12	7.68	6.46	7.89
Japan	0.31	0.31	2.84	4.52	3.42	4.93
Germany	4.06	4.06	6.57	7.71	7.28	8.11

CURRENCIES



Source: Reuters. Data as at 1500 hours.

OTHER INDICATORS

Index	Yesterday	Day's change	Year Ago
Oil Brent \$	15.96	-0.20	16.57
Gold \$	382.50	+0.25	382.40
Gold £	241.55	-0.30	248.59

Source: Datastream

IN BRIEF

M&A deals set for new record

The value of UK mergers and acquisitions this year is set to beat the previous 1989 record of £47.2bn because of merger mania in the electricity industry. According to the magazine *Acquisitions Monthly*, M&A deals during the first nine months of the year totalled £40.3bn, surpassing the £37.7bn for the same period last year, and £25.3bn for the whole of 1994. The value of remaining deals in the electricity sector totals £10bn, the magazine says. National Power's £2.8bn bid for Southern Electric and Texas Energy Partners' increased bid for Norweth of £1.74 are just two examples. In contrast the number of deals stayed static at 50 for the first nine months. Lazard's topped the table for deals by value at £10.7bn, followed by Barings, Morgan Stanley, Robert Fleming and NM Rothschild. SG Warburg topped the table last year but managed only 6 bids worth £2.9bn this time.

'Scotsman' price discouraged bidder

Bill Hughes, chairman of the industrial holding company, Grampian Holdings, and one of the early front-runners to make a bid for the Edinburgh-based Scotsman newspaper group, hinted yesterday that his consortium dropped out of the bidding because it felt the asking price was unrealistic. Scotsman said yesterday that they hoped a deal might be completed by early next month. A number of interested bidders, believed to include Associated Newspapers and the Barclay brothers, owners of *The Evening News*, are examining the Scotsman's books.

Blair's partnership pledge welcomed

Business leaders welcomed Tony Blair's commitment to new partnerships between a Labour government and industry, following the deal he announced with BT on wiring up schools, hospitals and libraries.

Suspicious linger, page 24

Grampian profits up 19%

Grampian Holdings' Glasgow-based conglomerate pleased the market with a 19 per cent improvement in profits to £4.29m in the six months to 30 June, and the third quarter remains strong, in contrast to last year, according to its chairman, Bill Hughes. The contribution from pharmaceuticals fell to £2.6m, but the transport division has been growing strongly to £2.2m.

Investment column, page 25

Watchdog warning on loss of choice

Offer, the electricity watchdog, warned that National Power's proposed takeover of Southern Electric could reduce diversity and choice for customers, and produce a "greater degree of vertical integration" in the privatised electricity industry than has been the case. In a consultation document, the watchdog said it would need to consider whether restraints on the enlarged group and licence amendments would be effective in dealing with potential adverse effects on customers and competition.

Candover backs buyout

Candover said it was backing an £11.5m management buyout of OBS from the British Rail Vendor Unit. Candover Investments had provided £1.5m and the Candover 1994 Fund £5.5m, with the remaining equity being provided by the management. The management team was led by the managing director, Terry Coyle, and directors who had worked within British Rail. John Jarvis would be non-executive chairman of OBS Services.

RPR set to increase offer for Fisons

TOM STEVENSON
Deputy City Editor

Rhone Poulenc Rorer was last night putting the finishing touches to a revised and final offer for Fisons. Market sources said a bid of at least 260p a share, valuing the group at more than £1.8bn, would emerge today. Fisons yesterday confirmed its rejection of the existing 240p offer launched in August.

A recommendation from the Fisons board was hanging in the balance after the British drugs group issued a statement challenging RPR to pay a price that "fully reflects the exceptional strategic value of Fisons' products, delivery technology and sales and marketing capability". In the absence of an agreement, RPR is expected to launch a dawn raid to pick up shares in the market.

Last night Stuart Wallis, Fisons' chief executive, said RPR had made no effort to negotiate an agreed offer since its original offer was rejected. He said Fisons had "a confident and certain future as an independent company" but admitted that the obstacle to an RPR takeover was simply one of price.

RPR has until tomorrow to revise its bid. Thereafter its offer cannot be changed unless a third party enters the bid. It is thought unlikely that Fisons

has a white knight up its sleeve. Yesterday, the British drugs group issued a final list of questions it said RPR should answer. They cast doubt on the ability of RPR, the American arm of France's Rhone Poulenc chemicals and drugs group, to achieve its goal of becoming a major player in the asthma market without buying Fisons.

The questions also pointed to RPR's admitted weakness in

Japan and its need to acquire Fisons' European sales and marketing operation. Mr Wallis highlighted Fisons' cash pile worth 50p a share, which implied an offer of just 190p a share for the core pharmaceuticals operation.

Fisons' shares closed 2p higher at 259p yesterday. Trading was relatively light with whispers of today's expected bid only emerging shortly before the

market's close. If RPR succeeds in taking over Fisons at 260p, shareholders will have seen their investment more than double since Mr Wallis took over as chief executive in September last year. Having reached a peak of more than 500p they plunged to 108p at the beginning of this year after a string of profits warnings and run-ins with the US Food and Drug Administration brought



Stuart Wallis: Only obstacle to RPR deal is one of price

Photograph: Financial Times

Eurotunnel debts may go for equity

RUSSELL HOTTEN

Eurotunnel's bankers are considering converting up to £1bn of debt into equity as a partial solution to the Channel tunnel operator's financial crisis.

The company's 630,000 shareholders have long feared a debt swap, which would dilute the already diminishing value of their investment.

Last month Eurotunnel suspended interest payments of £2m a day on junior debt for up to 18 months, a move that took many of the company's 225 banks by surprise.

Now there is a suggestion that the accrued interest of £1.09bn be swapped for equity as a prelude to a more substantial refinancing. "The banks would like an interim solution to stabilise the situation," said a source. "Dealing with the interest first will buy time to organise a full refinancing later."

Two weeks ago, the *Independent* learned that the four agent banks had written to the banking syndicate telling it of the need for shareholders to take more of the pain caused by Eurotunnel's crisis.

The clear implication was that the shareholders' investment would have to be diluted, perhaps by a debt for equity swap that could wipe out the value of the shares which are held mainly by French investors.

A Eurotunnel shareholders' action group, based in Paris, recently claimed that about £1.4bn had been wiped off the value of their holding since the company went public.

Several analysts believe a debt for equity swap of up to £3bn is necessary. Gary Klesch, the debt trader, said recently that such a move would be needed by early 1998.

A spokesman for the agent banks - the UK's National Westminster and Midland, Credit Lyonnais and BNP in

France - would not confirm the interest payment debt swap. "We have not fully dismissed any solution or way forward. But nothing has been agreed," he said.

The urgent need to resolve the company's financing was underlined yesterday when the giant US investment group, Capital, again cut its stake in Eurotunnel to 6.38 per cent. At the end of September Capital reduced its holding to 7.11 per cent.

Meanwhile, figures out yesterday showed that the number of tourists taking cars through the Channel tunnel last month fell compared with the busy holiday month of August, but freight traffic has increased.

Cars travelling on the Folkestone-Calais Le Shuttle trains totalled 105,914 in September 1995 - a fall of nearly 40,000 on the 145,861 figure for August.

But coaches using the shuttles rose from 2,728 in August to 3,033 last month, while the number of Le Shuttle freight lorries increased from 36,517 in August to 38,136 last month, reported Eurotunnel.

The company also said that the number of through freight trains travelling through the tunnel increased from 425 in August to 515 in September.

There was also an increase in the number of Eurostar trains which operate from London's Waterloo station through the tunnel to Paris and Brussels.

With frequencies increasing on 24 September, Eurostar ran a total of 862 trains in September, against 844 in August.

At rival F&O, freight truck crossings rose to 55,604 from 46,116, while its equivalent tourist vehicle figure slipped to 136,202 from 183,950. Richard Hannah, analyst at UBS, said Eurotunnel's figures were "more or less in line with the market, which is a bit disappointing for Eurotunnel really".

Finance minister calls for Daiwa resignation

RICHARD LLOYD PARRY
Tokyo

Daiwa Bank is considering a sharp cut in its overseas operations, especially in the US, following last week's disclosure of a \$1.1bn bond trading fraud in its New York branch, according to bank sources.

Masayoshi Takemura, the finance minister, yesterday made it clear he expects the resignation of Akira Fujita, Daiwa's president, as a gesture of atonement for the humiliation to Japan's tenth biggest bank.

The management must take proper responsibility, Mr Takemura announced, using the traditional formula used to imply resignation. Mr Fujita, who last week said he would be cutting his own pay by 30 per cent, had insisted he would remain in charge "for the time being, until the issue is resolved". Ana-

lysts predicted he may hold on until after the publication of reports on the case, in order to take with him as much of the burden of responsibility as possible for the failure to spot the unauthorised bond trading carried out by the chief bond trader in New York, Toshihide Iguchi, over 11 years.

Mr Takemura's statement came as the ministry of finance prepared its own inspection of the bank. Ministry inspectors will today visit Daiwa's head office in Osaka, three days after a similar investigation was announced by the US regulators in New York. The Bank of Japan will also carry out an investigation, and ministry officials are expected to fly out to New York in the next few days. *Asahi Shimbun* reported that a second, unnamed Japanese in New York was being investigated for a possible part in the fraud. The Bank

has been accused by the US regulatory authorities of possible violation of US law because of the two month delay between the bank being alerted to the fraud and the authorities being notified.

The latest moves suggest the scale of the embarrassment caused to the Japanese establishment. The Daiwa affair comes at a particularly bad time for the finance ministry, which is struggling with the bad debt crisis in the Japanese banks. The ministry suffered a scandal of its own last month after a former senior official was found to have made a fortune through questionable investments. Mr Iguchi's activities escaped the notice of two ministry inspections, as well as reviews by the US Federal Reserve. "I regret that the ministry was not capable of spotting the affair," Mr Takemura said.

Derivatives feud spills into print

DAVID USBORNE
NEW YORK

A \$196m lawsuit launched by Procter & Gamble against the Bankers Trust of New York will spill on to American newsstands tomorrow when the US magazine *Business Week* goes into print with details of the long-running feud contained in documents that it had previously been barred by a court order from publishing.

The magazine had been unable to publish the documents relating to the lawsuit, obtained several weeks ago, because they had been put under seal by a Detroit court. They were unsealed on Tuesday, prompting the magazine to arrange hiltz coverage in tomorrow's issue.

The battle already promises to severely dent the image of Bankers Trust. It is accused by Procter & Gamble of misleading it on the risks involved

when it sold derivatives to the company, which eventually led to losses of \$102m.

The documents obtained by *Business Week* include transcripts of telephone conversations between employees of Bankers Trust. One apparently records one employee asking another how they manage to persuade clients to invest in the notoriously tricky derivatives market.

Other details expected to emerge are the names of eight other companies hurt by derivatives purchased from Bankers Trust. They are thought to include Sandoz AG, Sequa Corporation and the Irish-based Jefferson Smurfit.

If its suit succeeds, Procter & Gamble could receive treble damages from Bankers Trust. Some observers speculated that the bank may move first, however, to settle out of court with the personal care giant.

'Sids' hold key to Manweb bid

MARY FAGAN
Industrial Correspondent

Tomorrow is the final day in the battle for control of Chester-based Manweb by Scottish Power, and the balance of power could well lie with the thousands of private investors who control about 25 per cent of the regional firm.

This is the first hostile bid for a major UK utility to reach such a crucial stage and the first in which there is real power in the hands of "Sids".

To woo them, Scottish Power has taken prime-time television advertising, including slots during *Coronation Street*,

Blind Date, the *Gladiators* and *The Bill*.

An army of 200 people at the Bank of Scotland in Edinburgh has been primed to count an anticipated last-minute surge of acceptances on tomorrow's close of the £9.90 offer by the Scottish group.

While the hope is that all small shareholders will succumb to the £1.1bn deal, privately it is admitted that a last-minute stampede could prove a logistical nightmare.

Scottish Power has become increasingly concerned to win over Manweb's 110,000 private investors, who control 25 per cent of the company's equity.

The average holding is about 300 shares, which at the cash offer price are worth almost £3,000.

So far, about 15,000 individuals are thought to have taken up the offer. But Manweb is confident that the bulk of its small investors, many of whom also live in its Merseyside and North Wales territory, will stay on board.

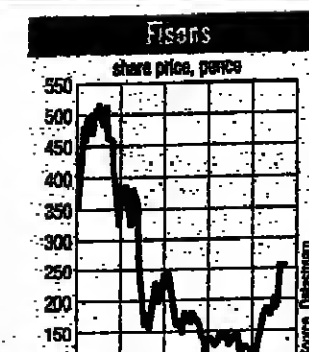
John Roberts, Manweb's chief executive, said: "Many of these are valued customers and have a strong sense of loyalty to both the company and the region. We believe they will back us." The Scottish camp argues - as do most predators in the

electricity industry - that the regional issue is overstated.

Scottish Power tightened its grip on the distribution and supply company yesterday, buying more than 5 million shares and taking its stake to 26.2 per cent.

Manweb's shares fell by 1p to 99.1p and Scottish Power's rose by 2p to 350.5p.

The bid moved towards its close as takeover fever continued to grip the City, with speculation that Yorkshire Electricity, worth about £1.7bn, will be the next to fall. Rumours earlier in the week had centred on London, which would have a price tag nearer to £2bn.



Barings bosses face SFA grilling

JOHN EISENHAMMER
Financial Editor

The Securities and Futures Authority is set to interview former executives of Barings, which could result in some being banned from working in the City.

Regulatory sources said the SFA is determined to come down hard on those executives who failed to exercise their responsibilities in the collapsed merchant bank.

The investigation is believed to cover about 12 former executives from Peter Baring, the chairman, and Andrew Tuckey, the deputy chairman, downwards. But the main focus is on those such as Peter Norris, the former head of the securities side, and Ron Baker, formerly in charge of the derivatives operations, who are believed to have been more directly involved in the running of the business.

The Bank of England report into the collapse of Barings under losses of £860m, put the blame firmly on Nick Leeson's unauthorised derivatives speculation in Singapore as well as the seriously inadequate internal management controls. The SFA's task is now to put the personalities to the management breakdown, detailing precisely who was responsible, or should have been responsible, for specific actions and operations.

The executives had to return to the SFA by Tuesday night, a questionnaire, tailored to each individual, which sought to establish precisely what the lines of responsibility and reporting were, or were meant to be, at the old Barings.

The Bank of England report painted a picture of great confusion, with several senior executives claiming they thought each other was looking after particular areas of trading and control. On the basis of the structures revealed in the replies, the SFA is soon to begin talking to the former executives. Of all of them, only Andrew Tuckey is believed still to be working, under some informal arrangement with Barings' corporate finance. All had their registration with the SFA, essential for working in the securities industry in the City, taken away when they were dismissed by ING, the new Dutch owner of Barings. If they re-apply for registration, the SFA has to be convinced they are fit and proper people to work in the securities business.

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No doubt who wins in Labour's deal with BT



COMMENT

"Building bridges with the Opposition is always going to be dangerous for a highly regulated monopoly - but Sir Iain Vallance has nothing to lose"

First Rupert Murdoch, now Sir Iain Vallance of British Telecom. Sucking up to Tony Blair seems to be quite the thing among businessmen with entrenched monopoly positions in fashionable industries - media and communications. Judging by the deal BT has managed to extract from new Labour, it pays dividends. In return for what in truth adds up to little more than a bill of beans, BT has won a very considerable regulatory concession - albeit from a party not yet in power. There is little doubt who has the better half of the deal.

First the concession. For years BT has been lobbying the Government for permission to provide broadcast TV down its telephone lines. Despite some sympathy for BT's position, ministers have resisted this on the grounds that to lift the ban early would be a breach of its agreement with cable TV - which has been investing billions in advanced fibre optic networks on the understanding that it had a free field at least until 2002, and possibly longer. What Labour appears to have pledged is that the ban will be progressively phased out from 1997 onwards ending absolutely in all areas in 2002.

Though the stock market seemed to be taking a remarkably sanguine view of it yesterday - cable TV share prices barely moved - this is a breakthrough of considerable commercial importance to BT. Barely more than two years from now, it should, Labour victory allowing, be able to compete on an

equal footing with cable at least in some areas. With luck, BT figures, Britain's nascent cable TV industry will still be insufficiently developed to pose a serious threat. It will be BT, not cable, that strikes the deals with Mr Murdoch and the other entertainment providers.

What does it have to do in return? Not very much seems to be the answer. BT is unsurprisingly evasive when it comes to estimating the investment cost of its pledge to provide a broadband communications system to all public institutions in the country but the £15bn figure that Labour has cleverly managed to palm off on the press has nothing to do with what has actually been promised. £15bn represents the maximum cost of delivering a spanking new fibre optic network to every telephone user in the UK. BT is a long way from committing to that. The much more limited "free" network being promised to schools, colleges, libraries and hospitals, would cost no more than £60m, according to industry estimates - an investment which BT might have been expected to make anyway since many of these institutions are high volume telephone users.

This deal is no one way street, however. For Labour it provides a rallying cry that puts the party in the vanguard of all that mumbo jumbo about information superhighways (shades of the white heat of technological change here). Here is something, Mr Blair is able to say, that we in Opposition can do

but ministers cannot. Think what we could do if we actually had power. Pure politics, in other words. Ministers are furious. For some, BT's flirtation with Labour is treachery. BT is the showpiece of the Government's privatisation programme. Without Mrs Thatcher, Sir Iain might well still be a submaster. Sir Iain shrugs his shoulders. Building bridges with the Opposition - helping it win votes - is always going to be dangerous for a highly regulated monopoly but the way he sees it, ministers have already punished him as much as they can. He has nothing to lose.

As for Labour, that is a different matter. Certainly the deal with BT points to some basic confusions in its policy towards business. Among the privatised utilities, BT seems to enjoy favoured status with Labour. There are all kinds of reasons for this. BT is at the forefront of technology, which is where Labour wants to be. Internationally it is highly respected and its standing among customers is considerably higher than more recent privatisations.

But it is also distinguished because it is seen to operate in a competitive environment. Mr Blair himself has made that distinction. It was not that many years ago, however, that BT was being written about in much the same way as the electricity companies now are - as one of the most hated institutions in the land. It was regulation and competition that transformed BT into what it now is. There is plainly much wrong with

the present market-driven approach to development of the superhighway - but giving even an inch back to BT may not be the answer.

Cavalier behaviour of Deutsche Bank

Little wonder that the Germans had to look beyond their borders to acquire investment banking house. For judging by the antics of the past few days inside fortress Germany, they have much to learn. The country's highest ever hostile takeover, for the state-owned Postbank, may be bringing a smile to the face of Deutsche Bank, but it has been met with open-mouthed disbelief among the international investment banking fraternity.

To recap, Postbank was only recently split from the post office, as was Telekom, to prepare for privatisation. However, the politicians appear not to have thought through the business implications. For the post office soon found it could not sustain its vast branch network without the revenues provided by the Postbank. The choice was between large-scale closures and political uproar - the public sector union in Germany is powerful - and nabbing back the bank.

Deutsche Bank, too, had its agenda. It had tried to strangle the Postbank at birth by blocking its banking licence. It now saw a way of laying its hands on the business of a

major competitor for its direct banking products. With hacking at the highest levels, the government stitched together a sweetheart deal in which the post office is going for 40 per cent of Postbank, Deutsche for 20 per cent, Swiss Reinsurance (as honorary Germans) taking 15 per cent, and the state holding on, as it has to by law until 1998, to its 25 per cent.

In their haste, however, the bidders have offered a sum of just over DM3bn for the 75 per cent. Salomon Brothers last year valued Postbank at DM6bn, and Lehman Brothers, the advisers, think it is now worth even more. Unsurprisingly, Postbank is protesting violently, and calling Deutsche a disgrace to banking.

While Britain is engrossed in raging discussions about how, with years of hindsight, taxpayers were sold short in undervalued privatisations, Germans are pulling off the trick of diddling their taxpayers out of DM2.5bn well before the privatisation occurs. This must raise questions about the financial competence of the people in charge, which does nothing to instil confidence in the great Telekom float next year.

But what about Deutsche Bank, and the breathtaking gap between what it says it wants to do in international markets, and this cavalier, provincial behaviour at home? For an answer one only has to ask Morgen Grenfell. Through the splutters, there is much stressing it has nothing whatsoever to do with this particular deal.

IMF warns of renewed turmoil in financial markets. Diane Coyle reports from Washington

Britain 'must not slip' on deficit cut

The International Monetary Fund has downgraded its forecasts for growth in Britain and the other industrial countries this year and next. It also issued a sharp warning yesterday of the risk of more turbulence in the financial markets unless governments improve their economic policies.

Britain is one of the countries it says must not slip on plans to cut the government deficit. "We do not believe the fiscal position in Britain allows room for net tax cuts," said Michael Mussa, the IMF's Economic Counsel-



World Bank and IMF



lor. He also refused to rule out the possibility that base rates might need to rise again. Although agreeing that the economic slowdown had removed the urgency, he said: "It is too early to make a judgement that short term interest rates have peaked."

The IMF, setting the scene for the G7 meeting in Washington

this weekend, reckons that most industrial economies will expand more slowly than it envisaged earlier this year.

The report says that inflation is unlikely to pick up much in the industrial countries generally. But it says: "Barring stronger efforts to reduce fiscal deficits than currently envisaged, only a few countries ap-

pear to have significant scope for further monetary easing." It puts Britain firmly in the category of countries needing to improve financial market credibility by holding a firm line on interest rates and deficit reduction.

The British economy is forecast to expand by 2.7 per cent this year, half a per cent below both the Treasury's forecast and the IMF's own earlier prediction. Just weeks before the 28 November budget, the IMF warns the Chancellor that efforts to cut the Government's borrowing requirement must not slip. It also says that the current pause in growth should not be exaggerated.

The US gets the same caution from the IMF's economists. Only evidence of a marked slowdown in economic activity would warrant significant cuts in interest rates. The key issue for American policymakers, however, is eliminating the fiscal deficit. The IMF has revised its forecast of US growth to a slightly lower 2.9 per cent this year and 2.0 per cent in 1996.

The broadly favourable economic outlook, with reasonable growth and low inflation in most countries, could be in jeopardy if governments do not grasp this nettle. "These risks derive partly from policy weaknesses in many industrial countries that may provoke renewed turbulence in financial markets," says the report.

It picks out the US, France, Italy, Spain and Sweden as countries in urgent need of



IMF supremo Michel Camdessus: in the spotlight

deficit cuts and in some cases additional labour market reforms. But the IMF argues that the sensitivity of financial markets to inappropriate economic policies - such as excessive budget deficits or lack of credibility in interest rate setting - is increasing.

The report argues that almost all industrial countries need to tackle excess government deficits. The emphasis needs to be on expenditure cuts, especially spending on pensions and healthcare.

The IMF's forecasts for growth in developing countries

SIB prepares to simplify rules

NIC CICUTTI

The head of Britain's most senior financial watchdog yesterday signalled a move away from heavy-handed regulation in return for greater information disclosure by companies.

Andrew Large, chairman of the Securities and Investments Board, announced a fresh round of talks with the industry's more junior watchdogs to map out a new, simplified approach to regulation.

He also backed moves to end the present system, called polarisation, whereby advisers must either sell the products of just one company or be prepared to choose from the industry's entire range.

Mr Large argued that if more financial information were available, there could be a "disclosure dividend" both for investors and the industry.

But his comments drew a cool response from other regulators last night. One, who refused to be named, said: "I think he is trying to placate some of the insurance companies who have been lobbying for less controls of their sales activities. It all seems like a recipe for even more navel-gazing."

Mr Large, who was speaking at the Britannia Caledonian financial services lecture in Glasgow, said the benefits of financial disclosure were al-

ready apparent in the wholesale markets, including Eurobonds and derivatives. As a result, more overseas firms were choosing to base in the UK.

He argued that had more information been available, it might have been possible to forestall recent financial scandals, including the Barings merchant bank collapse in January.

He claimed that long-running problems in the retail financial sector had also been caused by companies' unwillingness to disclose information about their products. "When, sadly, investors were let down by advisers they were entitled to trust there was little prospect they would themselves spot something was amiss. I need hardly tell you what sort of problems the industry faces as a result."

"Some might accuse me of being too far ahead at a time when important issues still need to be addressed. For example, can we realistically alter the regime whilst the pension-transfer issues have yet to be addressed? I acknowledge that is a difficulty. But, we need to start thinking about the future."

Phillip Thorpe, chief executive of Imro, the investment managers' watchdog, said: "Disclosure is... important but its capacity to be the universal panacea, particularly at the retail end, must be in doubt."

Pessimism on Japan growth

Six months ago the Japanese economy looked as though it would show some signs of recovery this year, however feeble. In its new forecast for Japan, released yesterday, the International Monetary Fund confirmed that the "growth would be a meagre 0.5 per cent, the same as last year."

The main culprit for this startling downgrade in the country's prospects is the yen's appreciation. It hit a peak of 79.85 against the dollar in April, hitting exports and sending Japanese manufacturers flocking to expand production in cheaper Asian countries.

The IMF estimates that foreign currency losses on overseas investments of \$400bn between 1980 and the present - most since 1993 - triggered a vicious cycle of the repatriation of

funds and further yen appreciation, which led to further losses on foreign assets. The huge misalignment in the exchange rate that this produced has been successfully reversed since the last G7 meeting in April.

Michael Mussa, IMF economic counsellor, said yesterday: "If anything, the dollar is a little bit on the weak side but we would not be saying now that there is a serious misalignment of the type that existed earlier." The analysis is likely to increase the determination of G7 finance ministers, meeting on Saturday, to keep the yen close to its present level.

Mr Mussa also gave credit to the Japanese for relaxing both monetary and fiscal policy. The newly published IMF forecast does not take account of the 20 September supplementary Bud-

get package, worth \$150bn. He said the predicted recovery from 0.5 per cent growth in 1995 to a 2.2 per cent expansion in GDP next year could be an underestimate. Even so, it will be weaker than normal for Japan, where growth would be 4 to 8 per cent at the same stage of the cycle in less troubled times.

There are two particular challenges identified by the IMF. One is the need to take further action to close or merge insolvent financial institutions, although the Fund has welcomed the public failure of two credit unions this year - the first since 1926 - as a healthy sign of realism. The other is the need to continue to deregulate the economy. Resources in the economy are not used as efficiently as they might be because of over-regulation.

Maxwell cash crisis 'worse than expected'

JOHN WILLCOCK

The Maxwell Trial



Day 74

Kevin Maxwell was told: "No sacred cows" and "cash is now the name of the game" when he called in an accountant to help him deal with the crisis he faced a few days after his father's death, the Old Bailey fraud trial heard yesterday.

Richard Stone, head of corporate finance at Coopers & Lybrand, said that those were two of the rules he applied when he began working for Kevin Maxwell on 11 November 1991.

Mr Stone said on Day 74 of the trial that he quickly found that the cash situation was worse than he first feared. He warned Kevin Maxwell that he was not prepared to embark on the exercise unless he had the right to report everything to the banks which were worried about their exposure.

On 25 November 1991, Mr Stone made a presentation to about 200 bankers who attended a meeting at the Chartered Insurance Hall in the City of London and disclosed that the "private side" of the Maxwell group had bank debts of £887m. The banks agreed a "well-organised standstill" was the best prospect for them and for the survival of the Maxwell empire. Five days later Mr Stone learned for the first time that the pension funds were in deficit by an estimated £380m.

Mr Alan Jones QC, defending Kevin Maxwell, said that had Mr Stone checked with Mr Steve Wootton, one of his firm's audit partners, he would have known that Mr Wootton had been looking into the pension fund situation for about two

weeks on the instructions of Kevin Maxwell.

Mr Stone said he had not sought information from Coopers & Lybrand's audit partners, who had prepared Maxwell group companies' accounts, because he wanted an independent view of the situation in making his report to the banks on Kevin Maxwell's instructions.

By 3 December 1991, when another meeting with the bankers took place, the creditors faced a totally different position because of the "vast" inter-company borrowings which had been revealed, said Mr Stone.

He said it was about this time that he was told by Kevin Maxwell of a possible "white knight" equity investor on 30 November or 1 December 1991. The investor was prepared to inject £400m into the group, Kevin Maxwell told him.

The banks issued a deadline for the end of the week which was not met, the court heard.

Kevin and Ian Maxwell, together with ex-Maxwell aide, Larry Trachtenberg, all deny conspiracy to defraud the pension funds by misuse of investments.

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FINANCIAL NEWS FROM BANK OF SCOTLAND

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	6 months ended 31 August 1995 (unaudited)	6 months ended 31 August 1994 (audited)	Year ended 28 February 1995
OPERATING PROFIT BEFORE PROVISIONS	£339.6m	£321.4m	£650.0m
PROFIT BEFORE TAXATION	£261.6m	£213.2m	£449.7m
TOTAL CAPITAL RESOURCES	£3,105m	£2,534m	£2,731m
TOTAL ASSETS	£36,837m	£31,951m	£34,104m
EARNINGS PER ORDINARY STOCK UNIT	12.6p	10.9p	22.3p
DIVIDEND PER ORDINARY STOCK UNIT	2.45p	2.13p	5.82p

- Pre-tax profit £261.6 million - up 23 per cent
- Net dividend increased by 15.0 per cent
- Tier 1 and Total Capital Ratios are 6.6 per cent and 12.0 per cent respectively (February 1995 - 6.1 per cent and 11.4 per cent respectively)

BANK OF SCOTLAND

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For a copy of the Bank's Interim Report please contact: Marketing Services and Public Relations Department, Bank of Scotland, Liberator House, PO Box 12, 61 Grassmarket, Edinburgh EH1 2JF.

business

Much Labour industrial policy could fit into Michael Heseltine's White Paper – but suspicions still remain, writes **Peter Rodgers**

Rail rhetoric overshadows new Labour partnerships

The Labour Party appeared this week to be facing two ways at once in its relationship with business. Tony Blair made what at first sight appeared to be a promise to renationalise the railways and in almost the same breath announced a deal with BT that was hailed as a new initiative in public and private sector partnership.

The former sounded like a return to the old Labour ways, and was made under pressure from unions; the latter was a classic piece of modern Blairism, discarding anti-business rhetoric to do a deal with a private company that would not be out of place among the Conservatives.

In fact neither announcement was quite as dramatic a departure as it appeared. Labour spokesmen have spent much of the last year ducking direct questions about whether they would buy back Railtrack – worth at least £2.5bn – after the

Tories privatise it. After Mr Blair's speech, they have still to give a straight answer.

Mr Blair's statement that "there will be a publicly owned and publicly accountable railway system under a Labour government" was qualified by a promise not to write blank cheques, which in itself left considerable doubt over whether Labour would attempt to buy it back in its first term of office.

Given the scale of spending that would be involved, the remark was more likely to have been aimed at wrecking the sale, to ensure the problem would not arise in the first place, which has been a consistent tactic of Labour's front bench. City advisers believe it could just as easily result in Railtrack going for a knock down price.

And what exactly does Mr Blair mean by a railway system? Railtrack owns the rails, but

from the point of view of the passengers, the most visible part of the railways will be the train operating companies, which are in the process of being franchised out to the private sector.

Since those franchises are generally of seven years, a Labour government thinking in terms of two full terms could renationalise the system without cost by simply allowing the franchises to expire. In any case, half the franchises may still be in the public sector by the election. In contrast, the rolling stock leasing companies – the roscoes – may be sold by Christmas, for up to £1.8bn. New Labour would be unlikely to want to take them back into public ownership. The Roscos fit nicely with another strand of Labour thinking, which is to develop financial partnerships with the private sector.

After all, Labour has claimed

credit for the ideas that form the basis of Kenneth Clarke's private finance initiative. Gordon Brown, shadow chancellor, has been fiercely critical of the PFI, not because of the principle but because the Treasury has strangled it in red tape and failed to fulfill the original purpose – which was to introduce private finance as an addition to government spending rather than a replacement. Indeed, Mr Brown has floated the idea of beefing up the PFI by offering government insurance against some of the potential risks, such as changes in regulation.

Against that background, industrialists following Labour thinking over the last year will find little to astonish them in the deal with BT announced by Tony Blair. It is the Tory government that has just extracted £300m towards the cost of the Jubilee Line from the new owners of London's Canary Wharf.



Tony Blair's 'partnership' approach to business is characterised by next week's planned discussions with Richard Branson and other business leaders. Photograph: PA

The thinking is not dissimilar. Mr Blair's plan is to free BT to sell entertainment down its wires in return for investing in communications links to hospitals, schools, colleges and libraries. With the cost to BT likely to be modest, Mr Blair

may end up being criticised for giving away rather a lot for the money.

Partnerships with industry have become the key theme of Labour's policy, as it finally buries direct intervention. Gone are last year's ideas such as a

state-owned small business bank. A surprising amount of what is left of Labour industrial policy could fit easily into Michael Heseltine's competitiveness white papers.

Employers dislike the minimum wage intensely and are fiercely critical of windfall taxes on the utilities – though the sting has been drawn from that by the way Tony backbenchers have promoted the idea as well. The CBI's opposition to Labour's promises to abandon the opt out from the European social chapter are based not so much on the setting up of works councils but on what Adair Turner, the CBI director general, calls the "blank cheque" the chapter gives for future regulation of the labour market.

As Mr Blair said recently, nobody is disputing the value to business of the basic shift in Labour policy. The real issue for some business people remains a suspicion about whether Mr Blair can deliver it in power – a suspicion which the return to rhetoric about renationalisation could reinforce.

Scholl puts case against shake-up

DAVID HELLIER

Scholl, the footwear group besieged by corporate agitators Julian Treger and Brian Myerson, yesterday accused dissident shareholders of secrecy and short-termism as they implored them to vote against resolutions favouring a board shake-up.

To win over shareholder support, the company said its pre-tax profits for the first eight months of this year were 20% up on the corresponding period last year and that its business plan was on track.

The new chief executive, Colin Brown, formerly with Reckitt and Colman as group director Europe, said: "I intend to accelerate the improvement in Scholl's performance, concentrating on volume growth, increasing margins and reductions in fixed costs. This is the best way to maximise value for shareholders."

Mr Treger and Mr Myerson, and Claudia Perkins of J O Hambro, the finance house whose clients have built up a stake of more than 10%, have called a meeting for 24 October at which they intend to appoint themselves in place of three non-executive directors and seek buyers for the business.

Mr Treger believes Scholl would be better off as part of an international group that would benefit from a worldwide marketing and distribution set-up. Yesterday he said Scholl's latest riposte did not address the central issue, which was that the company would be better off owned by somebody else.

Scholl said yesterday the proposed appointees have little relevant experience to the company. Nor did it think a forced sale was the way to achieve full value for shareholders.

Scholl's shares moved up 3p to 232p on the announcement.

Lucy Roberts CITY DIARY

Rumours that Tony Blair offered Richard Branson the chance to run a non-profit making version of the lottery have been greatly exaggerated.

Tony Blair has not yet met Richard Branson in a meaningful way, according to a Virgin source. That is unless you include their brief encounter at Gatwick recently when Branson got to show Blair an aeroplane. The visit was part of a tour organised by EAA following a nearby breakfast meeting with business leaders.

The pair will meet at the end of next week, at Blair's request, to have a much more serious discussion on the economy, competition, and business in general.

Meanwhile at Virgin, an indication of how the group intends to run its newly acquired MGM cinemas have come to light.

Simon Burke, now head of Virgin/Our Price, the retailing joint venture between WH Smith and Virgin, is slated to run the new cinemas as well, importing his hands-on retailing experience to transform the chain. Virgin wants restaurants, game arcades and perhaps even Virgin shops at cinema outlets – in short, a redefinition of the movie-going experience.

The plans go to the WH Smith board, on which Burke sits, in the near future. Smith, which owns the majority of Virgin/Our Price, might even consider investing in the cinema chain, if all goes well with Mr Burke at the helm. Smith, characteristically, declined to comment. Virgin, somewhat uncharacteristically, declined too.

David Hillyard of the Racecourse Holdings Trust tells me he is touting for new business. He wants to lure students to the race track. "No expense is being spared," he tells me, "bar prices will be at or near student union levels." However



Technology Minister Ian Taylor: calling on BT

Hillyard denies charges of leading students astray. "Student race days are being organised throughout the autumn and spring term," he says. "We have avoided the summer term, because of exams."

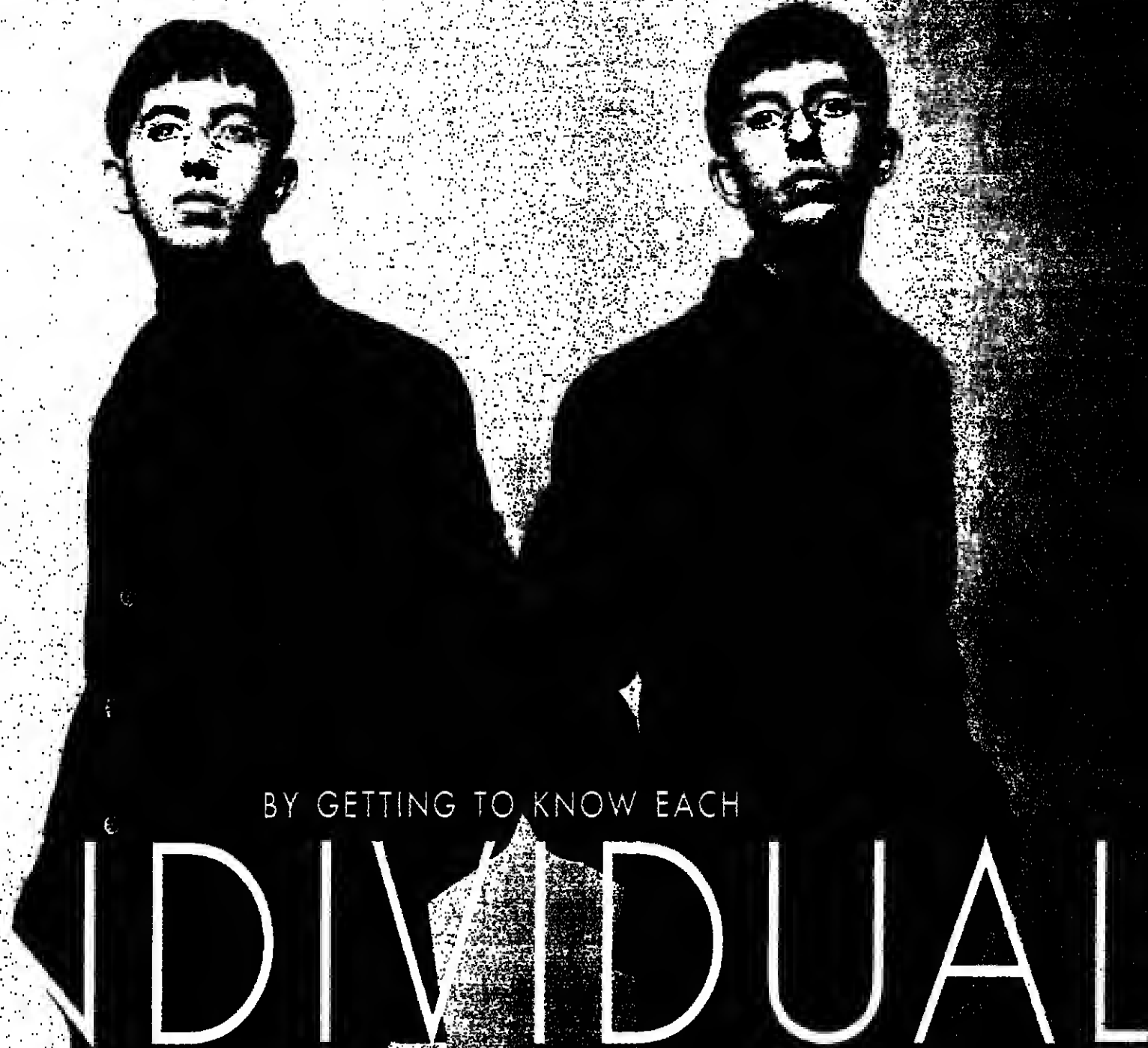
It is a rare investor who doesn't think of stock market crashes when October rolls around. But the historical statistician, David Schwartz, tells me that October is not entirely a dead loss. "The truth is actually different," he says, "October prices rise in most years."

However, the next-to-worst day for trading in the year also falls in the month – on 9 October, to be exact.

The problem, says Schwartz, is that for all the statistics, no-one actually knows why this happens. October is obviously not a bad time for publishing though. Schwartz has just brought out the annual edition of his market handbook.

As Tony Blair announced to the rank and file the deal to allow BT into the cable entertainment market in return for linking schools, colleges and hospitals to the information superhighway. Science and Technology Minister Ian Taylor was busy elsewhere: touring the BT stand in Geneva at the Telecom 95 conference. Perhaps BT is just hedging its bets.

Cable operators are having trouble deciding who should be viewing the new Disney Channel being offered as part of the Sky multichannel package. The new service goes to anyone who takes both premium "movie" channels. Sky's satellite customers, whose details are kept in the company's own subscription management system, are easy enough to sort out. But some cable subscribers who take Sky's basic programmes package – but not the higher-priced films – have been getting Disney since its weekend launch. A cable industry executive admitted the problem, but said operators were busy sorting it out. Until then, imagine the pleasure of the viewers who are getting something free from Rupert Murdoch.



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Is this jobless strategy too good to be true?

Economists are notorious for warning there is no such thing as a free lunch. But this week, Professor Richard Layard, director of the LSE's Centre for Economic Performance, served up a costed plan that would cut long-term unemployment by 400,000 over the term of a parliament, with an eventual annual saving to the Treasury of over £200m. Is it too good to be true?

The plan is a hard-headed view of the effect of benefits on unemployment. In last year's *Jobs Study*, the OECD drew attention to the link between generous entitlements and high unemployment. Professor Layard highlights the link between length of entitlement and duration of unemployment.

In particular, he points to the marked divergence between long-term jobless rates in Europe and the US. The US does not have a high incidence of long-term unemployment because benefit is cut off within a year. By contrast about half the jobless in Europe—where benefits are available for much longer—have been out of work for a year or more. Despite the moves towards a more flexible labour market in the UK, over a third of the current 2.3 million claimants have been without a job for a year or longer.

The benefits safety net turns into a trap because the longer someone is out of work, the less likely he or she is to be able to get a job. Demoralisation sets in and employers are reluctant to take on anyone who has been unemployed for long.

The solution is a mix of carrot and stick that strikes a balance between the harsh American and pampered European approaches. The Government would guarantee a job for six months to anyone who has been on benefit for 12 months. In return that person would have to accept a reasonable offer of work. The benefits currently made to the long-term unemployed—£65 a week including housing subsidy—would be paid to employers as an incentive to hire them.

The effect of the scheme, sug-



ECONOMIC VIEW
PAUL WALLACE

gests Professor Layard, would be to raise the employability of those currently languishing as long-term unemployed. When the temporary job ended, he or she should stand a better chance of continuing in that job, or being re-employed elsewhere. The resulting decline in long-term unemployment would, in turn, bring savings to the Exchequer. And this decline would not worsen the trade-off between unemployment and inflation because the long-term jobless exerts very little downward pressure on inflation.

It makes sense to subsidise work, not inactivity

The first objection to the plan is that it would create a favoured category that would displace others already in work. The subsidy would lead employers to substitute the formerly long-term unemployed for those already in work.

Professor Layard argues that this concern amounts to a "lump of labour" fallacy, the idea that there is a fixed amount of work that has to be shared out. The effect of his plan would be to expand the employable labour force; employment would increase in tandem.

However, in this year's *Employment Report*, the OECD said: "It is widely agreed that hiring subsidies for private-sector jobs will generate substantial displacement and substitution effects on employment." If this is the case, then the idea that the plan could be achieved cost-free seems fanciful; the Treasury would foot the bill for employers taking on the new subsidised employees.

Additional costs would also arise if in-work benefits had to be paid to employees—particularly in no-earner households—to make the job offers spring the poverty trap.

Another question-mark concerns the causes of long-term unemployment. It is not clear that employers discriminate against the long-term jobless simply because of their lack of recent work experience. According to the OECD, unskilled workers who lose their jobs are much more likely to drift into the ranks of the long-term unemployed. Again, further costs seem inevitable in combining the job offers with re-training if the present group of long-term unemployed is not simply to shuffle between temporary jobs every 18 months.

There must also be a doubt about who, in practice, would make the job offers. If private-sector employers did not make a sufficient number of offers—maybe because of lack of skills on the part long-term jobless—the public sector would have to become the employer of last resort. The scheme would come to be seen as providing make-work as well as running counter to attempts to promote efficiency in government.

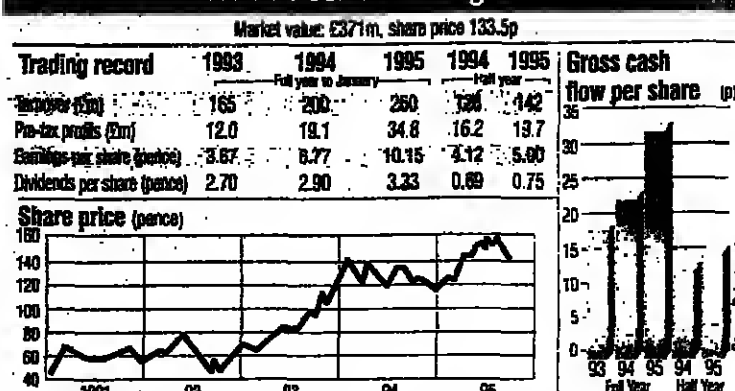
Yet despite these shortcomings, the general approach set out by Professor Layard is surely to be welcomed. It must make sense to subsidise work rather than inactivity. We cannot afford—socially more than economically—to exclude almost a million people from the labour market. The employment gains may be less than he suggests and the financial costs greater, but the social benefits argue in favour of boldness rather than timidity.

Preventing Long-term Unemployment; Employment Policy Institute; 540.

Hewden catches builders' cold

THE INVESTMENT COLUMN
Edited by TOM STEVENSON

Hewden Stuart: at a glance



Bank of Scotland causes anxiety

Bank of Scotland disappointed the market with interim results at the bottom of forecasts and the shares closed 7p lower at 240p.

Attention focused on squeezed margins and rising costs. Throw in continuing uncertainty about the bank's recent acquisition of Perth-based BankWest for £437m, and the anxiety was understandable.

There are certainly plenty of reasons to err on the side of caution.

Bank of Scotland announced a 23 per cent rise in pre-tax profits to £261.6m for the half year to August, this against £213.2m last time, but that was largely based on a fall in debt provision to £65.3m from £109.8m. The market had been expecting profits of up to £280m.

Worryingly, operating expenses grew 16 per cent to £343m from £296m. Many of these costs, however, were incurred by the Bank's highly successful finance house operation NWS which is recruiting heavily.

Margins were squeezed, going down from 2.8 per cent in the second half of 1994 to 2.6 per cent for the first half of 1995.

The Bank has expanded its market share, especially in the mortgage market, but has been forced to raise much of its funds in the relatively expensive wholesale money markets. That growth in market share led to a 15 per cent improvement in assets from £32bn to £36.8bn.

Another disappointment was provided by the interim dividend, up 15 per cent to 2.45 pence per share—

rather less than the City was hoping for. On the other hand, the payout was covered a healthy four times, more comfortable than Bank of Scotland's peers.

The bank's conservative dividend policy means it will never be much of a yield stock.

The yield stood at 2.4 per cent for this year, a stingier payout ratio than even its parsimonious rivals. On a price/earnings ratio of 9.4 this year, however, against a sector average of 10, the shares are reasonable value on earnings grounds.

Grampian is back where it belongs

Grampian Holdings sits more easily in the Diversified Industrials category where it has returned after two years masquerading as a pharmaceutical. Fortunately for shareholders, the switch is unlikely to change the company's rating.

Grampian has never been in the business of producing pharmaceuticals for people anyway. All its products are strictly for the animals, including new vaccines for cattle with coughs and diarrhoea, which should start to pay back at last next year after a seven year period which cost between £5m in development costs.

For the time being the performance from pharmaceuticals remains slightly disappointing, thanks to licensing delays and now increased material costs and margin pressures in Australia.

For the next year or two, the star performer will be the transport division which is running a close second to pharmaceuticals in profit contributions this year. Grampian has a useful niche in the disposal of waste from building sites, which should escape the Chancellor's landfill taxes, but the fastest growth is in specialised warehousing where Grampian is set to expand south from its strongholds in Scotland and the north. Its 25 per cent stake in Edinburgh Woolen Mills should provide a useful source of capital if the plan to float it goes ahead next year.

The shares rose 5p to 149p yesterday, but analysts are not rushing to raise their forecasts which stay around £10.7m for the full year and £11.8m next for an unexciting prospective price/earnings ratio of 13.

COMPANY RESULTS

	Turnover £	P/Pre £	EPS	Dividend
Ascelin Reed (I)	36.3m (34.5m)	1.4m (1.8m)	3p (3.9p)	2p (2p)
Bank of Scotland (I)	262m (213m)	12.6p (10.9p)	2.45p (2.13p)	
Blenheim (I)	92.1m (89.7m)	13.1m (19.2m)	8.4p (10.4p)	3.5p (3.5p)
Burn Stewart (F)	50.4m (40.7m)	3.96m (4.18m)	4.65p (5.2p)	5p (5p)
Global Group (I)	54.0m (41.0m)	0.84m (0.72m)	0.42p (0.38p)	0.2p (0.2p)
Grampian Holdings (I)	70.8m (65.8m)	4.28m (3.58m)	4.34p (3.68p)	1.5p (1.7p)
Hewden Stuart (I)	142m (128m)	19.7m (16.2m)	5p (4.12p)	0.75p (0.69p)
Hunting (I)	566m (559m)	15.0m (13.5m)	5.9p (4.5p)	4p (4p)
Mill Clark (I)	1.35m (1.61m)	0.31m (0.12m)	59p (24p)	4p (2p)
REA Holdings (I)	48.8m (43.0m)	0.66m (0.58m)	3.7p (3.5p)	nil (nil)
United Industries (I)	32.8m (23.6m)	1.75m (0.56m)	0.63p (0.36p)	0.15p (0.1p)

(I) - Quarterly (F) - Final (I) - Interim

Manweb

Shareholder information update

Manweb's response to ScottishPower's final offer

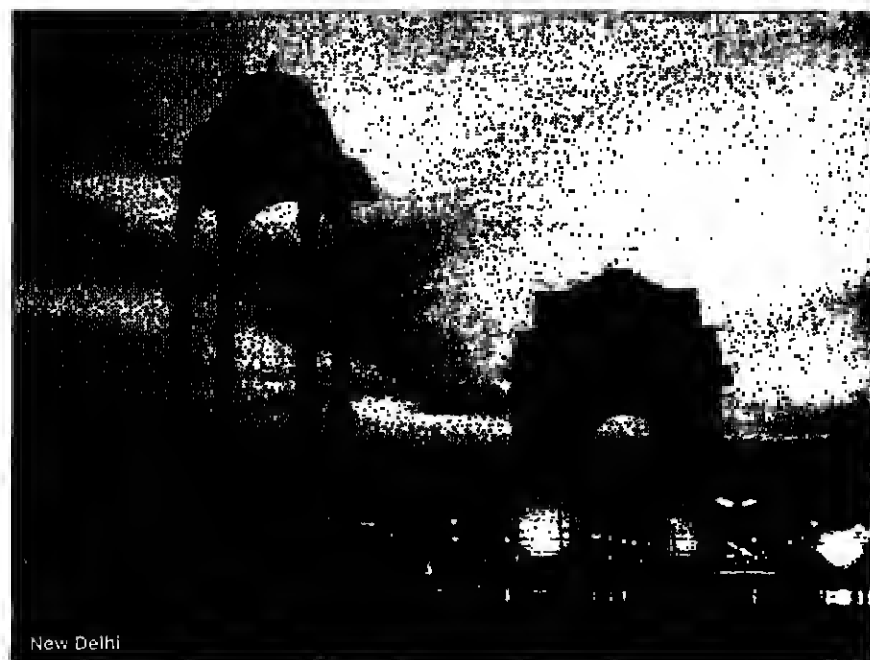
To hear your Board's advice call

0800 55 66 22
(English language)

or
0800 55 66 33
(Welsh language)

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FIVE CLASSIC HOLIDAYS FOR TWO TO BE WON WITH THE INDEPENDENT



TODAY we are giving you another token towards the five you need to enter our Classic Holidays competition. All the five holiday prizes we have on offer are for two people, are organised by Cox & Kings and will genuinely provide a holiday of a lifetime.

There are two tours of India on offer, both of which take in the majesty of the Taj Mahal and the glorious pink city of Jaipur. We have a long weekend break to Jordan where a two-day visit to the rose-red city of Petra is the highlight.

You could find yourself gazing at elephants and crocodiles in one of the wild-life preserves of Sri Lanka, the beautiful tear-drop island off the Indian coast. Or maybe you will take a tour through the ancient lands of Syria, rugged yet starkly beautiful.

All our holiday prizes will take you far from the package crowds and back into a time of wonders. But though some of the terrain may be wild, you will enjoy 21st century comfort all the way.

Cox & Kings have, over 200 years, perfected the tailor-made tour, one that allows for genuine travel and appreciation rather than rush, snap and hurry.

To enter our competition you must collect five differently numbered tokens from the seven we will be publishing in the Independent and the Independent on Sunday. Today we are printing Token 6. One of your tokens must come from the Independent on Sunday. An entry form plus a final token will be published in tomorrow's Independent.

For further information on Cox & Kings call: 0171 873 5000.

RULES

- To enter our Classic Holidays prize draw you need to collect 5 differently numbered tokens, including one from the Independent on Sunday.
- An entry form will be printed on Friday 6 October 1995. The closing date for entries is 23 October 1995.
- For previously published tokens or an entry form send an SAE to: Independent Classic Holidays Prize Draw, (Token Request OR Entry Form), PO Box 83, Welwyn Garden City, Hertfordshire AL7 3TT. State the tokens you require (only 4 per application). If you need tokens or an entry form, please send separate SAE's. Requests must be received by first post 13 October 1995.
- Employees and agents of Newspaper Publishing plc or those of any other national newspaper company or any firm connected with the promotion are not eligible to take part, neither are their relatives nor members of their families or households.
- Winners must co-operate for publicity purposes if required and accept their names and photographs will be published in the paper.
- Photocopies of tokens are not acceptable.
- The five holidays will be allocated at random to the first five entries selected in the prize draw.
- Normal Newspaper Publishing rules apply. There is no cash alternative. The Editor's decision is final.

Cox & Kings
FOUNDED IN 1758

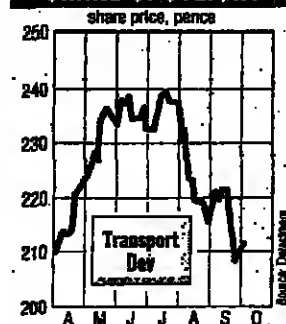


market report/shares

DATA BANK

FT-SE 100
3,544.1+19.9
FT-SE 250
3,983.8+15.2
FT-SE 350
1,770.7+9.2
SEAQ VOLUME
754.2m shares,
28,229 bargains
Gilt Index
93.44 +0.19

SHARE SPOTLIGHT



Bid talk and new hopes of rate cut push prices ahead

MARKET REPORT

JOHN SHEPHERD

Revised speculation about take-over bids outside the electricity sector, and hopes of a further reduction in interest rates helped share prices push ahead yesterday. The take-over spotlight fell principally on two stocks, Fisons, the pharmaceutical group, and Clyde Petroleum, the oil and gas exploration company.

There was strong speculation towards the close of dealing that Rhone-Poulenc would today increase its take-over offer for Fisons from 240p a share to between 260p and 270p, valuing the target at more than £1.8bn. Tomorrow is the last opportunity for Rhone to increase its offer terms.

Some dealers believed that Rhone was preparing the ground to raid the market for shares if it failed to secure agreement from Fison's board. Fison's shares finished 2p higher at 259p.

Trading in Clyde Petroleum's shares was heavy, amid rumours of stake-building either by an unidentified American company or Monmouth Oil & Gas. More than 15.5m Clyde shares went through the books, and the price rose 2.5p to 55.5p. A single buyer picked up 5.1m at 54.5p each in early dealing, and was understood to bought a further 2m later in the day.

The closing price makes Clyde worth around £227m, far below the £800m it was valued at five years ago when the shares traded at almost 200p each. One trader said there was a strong chance that several US companies would buy into North Sea assets following the recent agreed deal by Atlantic Richfield to buy Aram Energy. He suggested that a bid for Clyde could be pitched between 70p and 75p a share. Monmouth, however, is top of the list of favourites



to make a strike for Clyde, mainly because it is awash with cash and in a quandary about the best way to give it back to shareholders without incurring a big tax liability.

British Aerospace, tipped as a target for GEC, gained another 2p to 749p. GEC firmed 1p to 330p.

Speculation about take-overs not involving utilities is a welcome relief for the market which, despite making millions out of share trading, has become bored with events. Nonetheless, there was talk yesterday that Yorkshire Electricity, ahead 19p to a year's high of 916p would be the next rec to fall prey to a bid.

Scottish Power continued to buy shares in bid target Manweb, picking up 5 million at 990p to take its stake to 26.2 per cent. Manweb eased 1p to 991p, while Scottish firmed 2p to 350.5p.

Overall, the market continued to march forward in contrast to Wall Street which fell again overnight and opened softer yesterday. The FT-SE 100 index improved 19.9 points to 3,544.1 and some dealers said that the 3,600 mark could be breached soon.

Trading volume, helped by a large basket trade by NatWest Securities, totalled 754.2 million shares and was almost equally split between the lead-

ers and second liners, many of which climbed to all-time highs despite some poor results announcements. The FT-SE 250 index closed 15.2 points at a record 3,983.8.

The disappointing results list included Bank of Scotland, down 7p to 240p, Hewden Stuart, off 9.5p to a year's low of 133.5p, and Austin Reed, 3p lower at 192p.

Falls, though, were far outnumbered by rises which, to some extent, benefited from a day of activity from upgrades by analysts—particularly at Societe Generale Strauss Tumbull who recommended clients to buy Vickers, up 17p to 262p, and Pilkington, which closed 9p higher at 209p. Vickers were also in favour at Hoare Govett. The outlook for Lucas, 2p better at 203p, was also changed by Strauss Tumbull from hold to buy.

Courtaulds advanced 15p to 415p on hopes of a fall in raw

material prices, particularly for wood pulp which has climbed steeply over the last 18 months. The price of Booker fell 3p to 390p, however, amid talk of a line of several million shares being on offer with no takers in sight. Turnover in Transport Development Group was extremely high at 33.14 million shares. Price fell 6.5p to 205.5p.

The trading amounted to around 11 per cent of TDG's total issued shares. NatWest Securities was said to be handling most of the business, and there were rumours that the broker was having difficulty finding buyers for the stock. RM were in demand and climbed 17p to 349p. The company is a prime supplier of computer systems to schools, and viewed as a main beneficiary of Tony Blair's education proposals should Labour come to power. Similarly, BT added 4.5p to 399.5p.

□ A reverse take-over by Bagg, the builders' merchant, of Freepages, a competitor to BT's Talking Pages service, is almost signed, sealed and ready to deliver. Investors, however, should not expect a hefty premium to Bagg's current market price of 23.5p. Talk is that Freepages, headed by former Strauss Tumbull corporate financier Chris Akers, has agreed on 25p a share.

□ Abacus closed another 27p up to 275p, prompting a trading statement ahead of the figures. The electronic components group said results for the year to September would be "somewhat" above analysts' forecasts of pre-tax profits of between £6.1m and £6.2m. There was an unconfirmed report that Panmure Gordon, house broker, was upgrading its expectations to £6.5m.

SHARE PRICE DATA

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details are in right-hand column. A United Securities Market's Suspended List. Source: Financial.

THE INDEPENDENT INDEX

The Index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 335, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.

Anyone with a time-limited telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, phone 0891 123 333. For assistance, call our helpline 071 575 475 (9.30am - 5.30pm). Call cost 35p per minute (cheap rates), and 45p at all other times. Call charges include VAT.

MARKET LEADERS: TOP 20 VOLUMES

Share	Volume	Share	Volume	Share	Volume
BT	13,000	ASDA Group	10,000	Harrold	6,700
Shell	12,000	Carroll's	8,000	Water	6,000
LAGRO	12,000	Smith's	8,000	Wash	6,000
Wool	11,000	Wool	8,000	Wool	6,000
Smith & Nephew	10,000	Smith	7,000	Smith	6,000

FT-SE 100 INDEX HOUR BY HOUR	14.00	15.00	16.00
Open 3528.1 up 1.5	11.00	3544.2 up 20.0	15.00
09.00 3535.0 up 10.0	12.00	3540.8 up 16.4	16.00
10.00 3539.2 up 10.0	13.00	3538.5 up 14.3	17.00
			Close 3544.1 up 16.0

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RENAULT
WITH PLAN

BANKS, MERCHANT

Bank of Scotland 240p
Hewden Stuart 133.5p
Austin Reed 192p
Societe Generale Strauss Tumbull 262p
Pilkington 209p
Hoare Govett 203p
Lucas 203p
Courtaulds 415p

BANKS, RETAIL

ASDA Group 10.00p
Carroll's 8.00p
Water 6.70p
Wash 6.00p
Wool 8.00p
Wool 8.00p
Wool 6.00p

DIVERSIFIED INDUSTRIALS

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

BREWERIES

Harrold 6.70p
Water 6.00p
Wash 6.00p
Wool 8.00p
Wool 8.00p
Wool 6.00p

ELECTRICITY

Yorkshire Electricity 916p
British Aerospace 749p
GEC 330p

BUILDING/CONSTRUCTION

Transport for London 210p
Rhone-Poulenc 240p

ELECTRONICS

Abacus 275p
Panmure Gordon 275p

FOOD MANUFACTURERS

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

GAS DISTRIBUTION

Yorkshire Electricity 916p
British Aerospace 749p
GEC 330p

HEALTH CARE

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

HOUSEHOLD GOODS

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

INSURANCE

Smith & Nephew 10.00p
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INTERNATIONALS

Smith & Nephew 10.00p
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DISTRIBUTORS

Smith & Nephew 10.00p
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ENGINEERING VEHICLES

Smith & Nephew 10.00p
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EXTRACTIVE INDUSTRIES

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INVESTMENT COMPANIES

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INVESTMENT TRUSTS

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LEISURE & HOTELS

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OIL EXPLORATION

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OIL, INTEGRATED

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OTHER FINANCIAL

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OTHER SERVICES

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PHARMACEUTICALS

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PRINTING & PAPER

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PROPERTY

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MEDIUMS

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LONGS

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UNDATED

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TELECOMMUNICATIONS

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RETAILERS, FOOD

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RETAILERS, GENERAL

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TOBACCO

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TRANSPORT

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WATER

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

SPIRITS, WINES & CIDERS

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

SUPPORT SERVICES

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

RIGHTS ISSUES

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

RECENT ISSUES

Smith & Nephew 10.00p
Smith 7.00p
Smith 6.00p

FOREIGN EXCHANGE RATES

OTHER SPOT RATES					
Country	Spewing	Dollar	Country	Spewing	Dollar
Argentina	1.532	1.000	Hong Kong	2.770	81.50
Australia	15.8794	10.0070	Indonesia	8.00828	0.2948
Belgium	1.615742	0.5081	Iran	49.8545	31.54
Brazil	0.21	0.0738	Italy	60.6788	21.54
Canada	0.538532	3.3919	Japan	237.45	149.85
Denmark	9.7673	4.2860	South Korea	5.7567	5.8502
France	1.088	1.000	Malaysia	7114.254	4.057
Germany	366.33	223.92	South Africa	1.258	3.6560
Greece	0.543671	33.75	Taiwan	62.26	26.85
India	0.474719	0.30005	Thailand	1.000	2.6770

Note: Forward rates quoted are for one year and all domestic quoted rates are for 30 days unless otherwise noted.

UK Rate	6.75%	Germany Discount	3.50%	US Prime	8.75%	Japan Discount	0.50%
France Interbank	5.00%	Lombard	5.50%	Discount	5.25%	Belgium Discount	3.50%
Italy Discount	9.00%	Canada Prime	8.00%	Fed Funds	5.75%	Switzerland Central	4.05%
Netherlands Advances	3.80%	Denmark Discount	6.50%	10-Day Repo	9.25%	Switzerland Lombard	4.20%
				Sweden Bank (Avg)	8.81%	Discount	2.00%
						Lombard	2.25%

MONEY MARKET RATES

	O/Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
Overnight CDs	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
Local Authority Depos	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
Discount Money Depos	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
Treasury Bills (90 Day)	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
Banker's CDs	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8
ECU Linked Depos	8 7/8	9 1/8	9 3/8	10 1/8	11 1/8	12 1/8

Settlement price 3542.1	closing after price				Call/Put
					Total/vol
Series	3450	3500	3550	3600	
October	110 / 7	68 / 15	35 / 34	14 / 66	
November	128 / 25	102 / 39	70 / 60	43 / 64	
December	165 / 43	130 / 56	99 / 77	73 / 103	
January	- / -	154 / 74	- / -	99 / 120	

[illegible]

Decose	Decose	Potatoes	Barley	
LCE \$/tonne	LCE \$/tonne	LCE \$/tonne	LCE \$/tonne	
Dec 89/90	Nov 73/74	Nov 192/90	Nov 107/75	
Mar 89/90	Jan 72/73	Mar 280/40	Jan 110/85	
May 72/73	Mar 72/73	May 107/85	May 110/85	
Vol 10,528	Vol 3,358	Vol 107	Vol 107	
White Sugar	Raw Sugar	Freight	Wheat	Corn
LCE \$/tonne	LCE Cents/lb	LCE \$/100k	LCE \$/tonne	CBOT
Dec 338/80	Jan 11/85	Oct 1765	Nov 114/30	Mar 21
Mar 338/80	May 12/85	Nov 1785	Mar 114/30	Mar 21
May 313/10	Vol 18,266	Vol 648	Vol 114/30	Mar 21

Source: Commodity Market Services									
Oilseed Crops (Agriculture)									
Nov	Meat No. 1	\$/tonne	155	Nov-Jan	Soyab Oils	FL/100kg	99.5		
	Copra (1)	\$/tonne	134/128.5	Oct-Nov	Coconut Oil (1)	\$/tonne	720		
Nov-Dec	Cocoa (NY)	US\$/cwt	700.8	Oct-Dec	Sunflower Oil	\$/tonne	855.3		
Feb	Meat No. 1	\$/tonne	675	Nov-Jan	Rapeseed Oil	FL/100kg	96		
Dec	Peanut	\$/tonne	34.0	Nov-Dec	Groundnut Oils	\$/tonne	800		

Source: The Public Ledger/PLD										
Erie Bay										
Sweet Crude		(Gulfport)		Gasoil		(Gulfport)		WTI	Products	(Gulfport)
IPE	5.30pm	'chg	Yr ago	IPE	closes	'chg	Nov	8pm	Spot CIF North West Europe	
Nov	18.11	-0.08	18.08	Oct	149.75	-0.76	Nov	17.40	Lossant Gasoline	170 - 171
Dec	15.96	-0.07	18.78	Nov	150.50	-0.25	Dec	17.10	Mopline	158 - 159
Jan	15.86	-0.07	16.91	Nov	150.50	-0.00	Jan	17.00	ECG Gasoil	181 - 182
							EAR	17.00	Heavy Fuel Oil	82 - 84

Commodity Indexes		Dollars		Percent		Index		Index	
Commodity	Index	1970=100	% Chg	1970=100	% Chg	1970=100	% Chg	1970=100	% Chg
Grain	1970=100	181.22	-0.88	180.78	-0.28	171.22	-5.54	181.22	-0.88
Oil	1970=100	265.58	-0.37	264.61	-0.36	235.89	-12.83	265.58	-0.37
Energy	1985=100	50.73	-0.56	50.85	-0.36	50.89	-3.24	50.73	-0.56
Industrial Metals	1970=100	198.33	-0.37	211.83	8.89	179.32	-11.10	198.33	-0.37

Stock	Bid	Mid	Other	Stock	Bid	Mid	Other
Abbey Life Equity \$4	242.0		254.0	London & Algr Flexible	860.0		860.0
	54	70.0	73.0	Life Equity	565.0		565.0

[illegible][illegible]

CG Prime Intl	635.3	637.0	Scottish Equine Mutual	278.8	280.4
CG Prime UK Equity	636.9	647.0	Scottish Life Managed	305.9	305.9
CG Prime UK Equity	636.9	647.0	Scottish Life Managed	305.9	305.9
CG With Profits	123.6	133.1	Scottish Life Policy	348.7	348.7
Equity Share With Profits	123.6	133.1	Scottish Prov Intl Blue Chip	174.0	172.8
Equity Performance	142.6	150.2	Scottish Prov Instl UK Equity	122.6	128.1
Friends Power Managed Mutual	287.3	344.3	Scottish Widows	391.7	391.7
Friends Power UK Equity	440.0	468.2	Scottish Widows Mutual	498.4	516.6
Friends Power Managed	440.0	468.2	Standard Life Equity	1114.7	1177.8
Friends Power Managed	440.0	468.2	Standard Life Income	174.3	184.1
GIA Limited With Profits	144.0	152.4	Standard Life F&I	168.0	168.0
GIA Unlinked With Profits	144.0	152.4	Standard Life Managed	789.5	818.1
Harrogate	326.4	345.8			

GRE Life International	69,010	728,3	San Alliance Managed	728.0	790.4
GRE Life Global	74,0	740.0	San Life Day Debbushen	119.0	169.5
GRE Shortcut Equity	67,17	700.0	San Life Managed	297.2	327.3
HE Mutual Managed	5,653	619.0	San Life Equity	1,591.8	1,875.6
HE Life Global	17,02	728.0	San Life Managed	97.8	100.8
HE Portfolio Dr James Managed	110.6	770.0			
Lawrence Capital Lf Mid Age	200.7	302.1	San LifeCan Century Managed	125.7	
Lawrence Managed	67,63	690.5	San LifeCan Equity	506.8	506.6
Lawrence Global	41,2	412.0	San LifeCan Managed	412.0	412.0
Legal & Global Equity	1048.0	1,314.0	7355 Equity	367.2	418.2
Legal & San International	274.7	805.0	7355 Homeowner	245.2	296.2
Legal & San International	274.7	805.0			

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sport

Morrison plans to have a brawl

Until Tommy Morrison was flattened in one round by Michael Bennit almost two years ago the tawdry idea of a Great White Hope lingered in heavyweight boxing. The picture was of a solidly constructed, intelligently directed blond brawler with natural power, Irish blood and John Wayne perched on his family tree.

That the Morrison who is training to fight Lennox Lewis in Atlantic City on Saturday went unrecognised this week by people who had not seen him since the disaster in Tulsa is sufficient to suggest that reality now prevails over the wildness that brought a reputation for relentless party-going.

The golden boy image, created by promoters who deserted when Bennit put paid to the \$5m (£3.3m) purse Morrison was to receive for a contest against Lewis in March last year, has been so altered by severe bar-boring and a tuft of beard that he was required to pose for a new set of photographs.

According to Morrison's trainer, Tom Virgetts, there is also what he considers to be a significant change in attitude. "I've never had a problem with Tommy in the gym," he said, "but I could never be sure what he was getting up to. There was always a distraction, another bimbo to take his mind off boxing and the gap between fights became one long party."

Half the time we couldn't find him. Trouble is that Tommy still hasn't found himself and even now some asshole could come along and ruin all the work he has put in for this contest. Tommy not only drinks too much but he simply can't handle alcohol.

If it is unusual for a boxing trainer to be so forthright about his charge, Virgetts is something of an exception in the bus-

On Saturday Lennox Lewis will climb into the ring to fight a former golden boy trying to live down a tarnished image. Ken Jones reports from Atlantic City

ness. An impressively fit man of 43 years he gained a doctorate in exercise physiology and held university posts as an athletic director before working full-time with Morrison.

'It's no exaggeration to say I've often feared for Tommy's life, that he would end up dead in some bar'

In the five years they have been together, Virgetts has more than once been close to giving up on the fighter from Gravette, Arkansas, especially when receiving reports of yet another spectacular rampage. "It's no exaggeration to say I've often feared for Tommy's life, that he would end up dead in some bar," he added. "No matter how hard I preached, Tommy was deaf to the warning that no man is indestructible and his fists would not be much use if somebody came at him with a gun or a knife. Plenty of people told me that I was wasting my time and when he lost to Bennit I almost packed my bags."

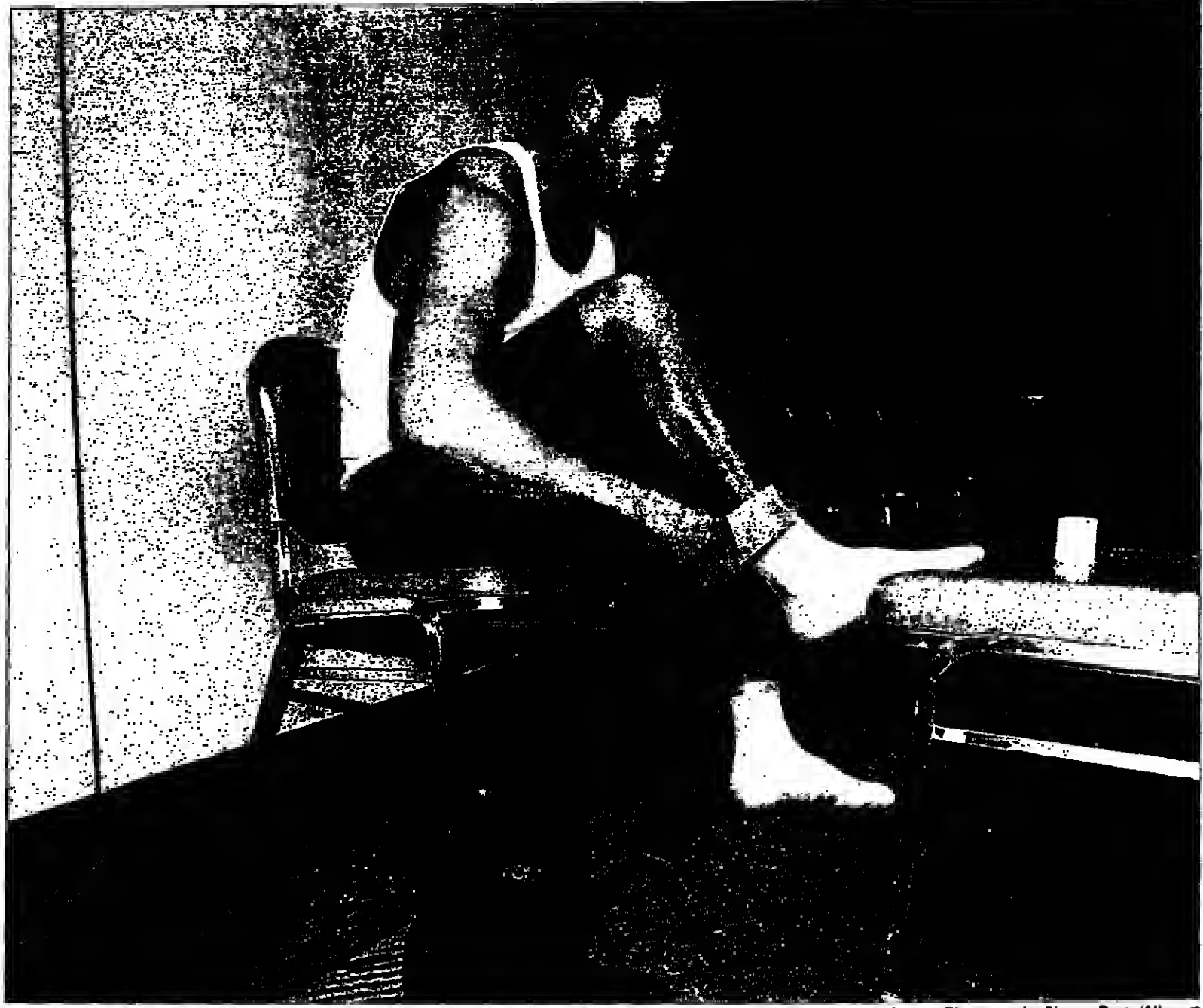
A professional since the age of 19, by the time Morrison challenged the 1988 Olympic champion, Ray Mercer, for the World Boxing Organisation title in October 1991, a record of 29 straight victories fuelled the

notion that he might become the first white American since Rocky Marciano to reign as the undisputed champion.

It didn't survive the fifth round. Utterly exhausted, Morrison was stopped when helpless on the ropes. "I'd grown so used to blowing people away that seeing Mercer still there after taking my best shots left me with nowhere to go," he said this week. "To be honest the referee should have stopped the fight earlier because I took a lot of unnecessary punishment."

While that experience implanted in Morrison an understanding of serious limitations in technique and stamina it did nothing to curb an appetite for entertainment in the sort of locations that police officers approach warily. "I don't think I did more drinking than was good for me," Morrison said, "but if I had a bottle in my hand it was always where people could see me. I guess that was the silliest part because guys were always calling me out, looking for trouble. Ever since I was a kid I've been confident of coming out on top in a brawl but the ring is a lot different from a bar. That's been my problem."

It was about three o'clock in the afternoon and Morrison was stripped down for light sparring in a hotel by the Jersey shore. He looked in excellent shape, the results of two months training evident in a hard torso and the clearly defined ridges of his abdomen. He is encouraged by the impression that Lewis is lacking in resolution. "From what I've seen and the things Tommy [Virgetts] saw when he watched Lewis



Tommy Morrison prepares to put his best foot forward in Saturday's heavyweight bout against Lennox Lewis

Photograph: Simon Bruty/Allsport

fight Frank Bruno, I don't think he has the balls for this business. I see in him what I saw in some of the footballers I came up against [Morrison was sufficiently effective as a high school linebacker to be offered a college scholarship], like he promises more than he's got to offer."

Morrison's sixth-round knock-out of Donovan "Razor" Ruddock three months ago encouraged Virgetts to believe that better days lie ahead. "The fifth round has always been a crisis point for Tommy so you can imagine how I felt when he got up from the floor to get rid of

Ruddock. Not that there is any point in trying to change his style. I think I've managed to make Tommy more relaxed in the ring so that he doesn't burn up all that energy, but he is what he is, a go-forward guy who is always looking to end things quickly."

Morrison's body is not entirely the one he started out with. Football injuries resulted in four leg operations including the total reconstruction of one knee and following the victory over Ruddock he underwent shoulder surgery. "Getting the shoulder fixed has unquestionably improved Tommy's scope," Vir-

gets insisted. "He's known for the power of his left hook but there is plenty in the right and if it lands Lewis will go." As for the widespread notion that Morrison is better at knocking people down than getting up, it doesn't figure on Virgetts' agenda.

Offiah World Cup blow for England

Rugby League
DAVE HADFIELD

England suffered another setback in their preparations for the Centenary World Cup yesterday with the withdrawal of the wing-half Martin Offiah, who has a calf strain, from both this Saturday's opening match at Wembley and next Wednesday's second group game against Fiji at Central Park.

The 28-year-old Wigan player had been expected to be fit to face the world champions,

Australia, and his absence is a significant blow for a team already deprived of Gary Connolly, who has pneumonia.

John Bentley, of Halifax, will replace Offiah on the left wing at Wembley. The England coach, Phil Larder, said: "Martin's a world-class player and it's a terrible blow, but I'm sure John will not let us down."

One player certain to play a key role in England's campaign is Kris Radlinski. He has been handed one of the high-pressure jobs in world sport - playing full-back against Australia - after

just five senior games in the position. The 19-year-old Wigan player, normally a wing or centre, was the first named yesterday in England's team on Saturday.

Despite his lack of experience in the position, Radlinski is such an assured individual that his coach has no doubts about his ability to cope. "I've got every faith in Kris," Larder said. "Even when we were thinking about the squad weeks ago, Shaun Edwards and others at Wigan were telling me about this Kris Radlinski."

Other young Wiganers have been given important jobs, with the 22-year-old Barrie-Jon Mather in the centre, 20-year-old Andy Farrell at loose forward and Simon Haughton, 19 like Radlinski, on the bench.

At the other end of the scale, the senior member of the squad, Karl Harrison, has won the contest to start the match at open-side prop. Castleford's Dean Sampson was the front-runner, but Harrison's typically solid display for Halifax has won him the vote.

New Zealand have named their team for their first match,

against Tonga at Warrington on Sunday, and there are more surprises in it than there are in England's. Their most-capped player, Gary Freeman, is pushed out of the scrum-half role by Stacey Jones, Richard Barnett also make his debut on the wing and two British-based players, Henry Paul and Kevin Iro, are only on the bench.

ENGLAND: Australia, Warrington, Saturday; Radlinski, Radlinski, Mather (all Wigan), Harrison (Castleford), Farrell (Halifax), Paul (Halifax), Edwards (Wigan), Iro (Halifax), Jackson (Sheff Wed), Platt (Aldershot), Bates (Aldershot), Clarke (Sheff Wed), Farrell (Wigan), Substitutes: Goulding (St Helens), Joyce (St Helens), Pritchard (Wigan), Haughton (Wigan).



Radlinski: England debut

Jelfs enjoying the view from the summit

Tennis
JOHN ROBERTS
reports from Glasgow

Britain's top-ranked women's player, who jogs the WTA Tour computer's memory at No 224 in the world, is about to remind the nation of her existence. The name is Lizzie Jelfs, and she will make her debut today against the United States in the Maureen Connolly Trophy.

Due to her improved form, and the continuing decline of the British women's game, the 19-year-old Jelfs returned to Banbury, Oxfordshire, after reaching the semi-finals of a £75,000 Challenger event in Brazil during the first week in August and found herself ranked above everyone else in the country. Realising that this was not entirely her fault, Jelfs sensibly decided to make the best of it.

On the way to the Maureen Connolly Trophy 21-and-under team event at the Scolstoun Leisure Centre here, she lost to one compatriot, Julie Pullin, in the first round of a £25,000 (£16,000) Challenger in China and defeated another, Lucie Ahl, in the final of a Reebok Tour event in Middlesex. The Reebok domestic circuit and the Challenger and Satellite international tournaments are the staple for aspiring talent.

Jelfs, the 1994 national junior champion, has arrived at an opportune moment. Between this morning and Saturday evening, Britain will attempt to record their first hat-trick in the Maureen Connolly Trophy, a trans-Atlantic competition inaugurated in 1973, 20 years after "Little Mo's" Grand Slam triumph and four years after her death. The Americans have won 17 of the 22 previous matches.

While any sign of British progress is welcome, a sense of proportion is advisable. The Maureen Connolly Trophy, presented by ADT Auctions, does

not attract the most talented young American players, most of whom are too busy making their fame and fortune. The current team comprises three collegiate players, ranking from No 387 to No 730, and two from high school without a ranking. Among those eligible, but over-qualified, are the highly ranked 19-year-olds Lindsay Davenport and Chanda Rubin and the inactive 19-year-old Jennifer Capriati (Monica Seles is a month too old).

Britain have selected the top five eligible players: Jelfs, Karen Cross, of Exeter, Devon (245), Ahl, also of Exeter (322), Mandy Wainwright, of Chingford, Essex (343) and Kate Warne-Holland, of Stockport, Cheshire (384), who, like Jelfs, is making her first appearance. Ann Jones, the captain, who presents an optimistic view of the British game as possible in the circumstances, considers that the situation has "bottomed out and ought to start going up from here."

Always one to respect American teams, Jones expects a "good, strong, solid performance" from her players, and believes the current squad to be "fitter and mentally stronger" than those in the past. "Lizzie's where she is because she's one of the ones who has worked the hardest," she says. "But Lizzie's only just ahead of the pack, and that is creating competition."

Jelfs agrees. "I am only just ahead, and if somebody overtakes me, that will be even more incentive for me to keep going. We're all pushing each other. While I've been practising the last two or three weeks I've been asked what it's like being No 1, and it still seems a strange question, because I try not to think about it too much. I feel no different, really. I still have the same goal - I want to improve. OK, I'm No 1, but to keep it in perspective, I'm No 224 in the world, which is nothing really. I still have a long way to go."

Lowe enjoys life with the unpredictable Samoans

Traffic on the M6 might have made Graham Lowe the last chief to arrive at the game's great gathering of the clans this week but, typically, he was the man who came up with the best sound-bite.

How on earth would he set about preparing a Western Samoan squad, some of whom had never met each other, let alone played together, for the Centenary World Cup?

Simple, he told the crowd assembled for the official launch of the tournament. They would have a sing-song and a couple of games of tick-and-pass and they would be ready.

"If you believe that," said the

tournament director, Maurice Lindsay, who once employed Lowe as coach of Wigan, "you'll believe anything."

The dark borders of the tournament will be a little more thoroughly groomed than Lowe admits, but there is an element of truth in his banter.

There is just no time to mould a group of players drawn from New Zealand, Australia and England as well as their own islands into anything very complicated or even coherent. There is more than enough time, however, to fire them up by stoking an already fierce national pride and to give them their heads, which is exactly what Lowe, in

Dave Hadfield meets the rejuvenated coach of the World Cup's dark horses

their games against France and Wales next week, will do.

It is something of a miracle that Lowe, the former New Zealand, Queensland and Manly coach, as well as the man who began Wigan's decade of dominance, is here at all. A life-threatening embolism looked to have ended his coaching career four years ago, but Lowe has simply refused to lie down and play the invalid.

Apart from his Samoan commitments, he is due to take over at the North Queensland

Cowboys next season, but you sense that it is working with the islanders that has sharpened his appetite once more. "They phoned me up out of the blue to see whether I could go over and help them out, and it has been like a breath of fresh air to me," he says.

"It has been a humbling experience to be with them and watch their way of life and the way they go about things. The players have the manners and the humility that you don't often find among modern sportsmen."

As a coach in New Zealand, Lowe was used to dealing with Samoans; they are an important sub-culture within the game there. "I've had a lot to do with their psyche and understand their philosophy of life."

And yet the question of quite how they will perform in the most compelling group of the World Cup remains a tantalising mystery to him, as it is to most other people.

"Anything could happen with these blokes," he says. "They could get wiped out or they could wipe everyone else out. There is so much flair. They do things with the ball which, as a

professional coach from a hard environment, terrify you. But they work."

Even with players like Va'aiga Tuigamala and John Schuster available, Samoa face a formidable task in taking on France and Wales within three days of each other. "We'll only have time for about three feeds and back out there again," says Lowe.

"Mind you, with these blokes, that's equivalent to about 20 meals with other people."

Throw in a sing-song and a few games of touch football and everything will be set fair for a convalescent coach and his bunch of friendly strangers. As he says, anything could happen.

Discontent at The Oval as sorry Surrey seek change of fortune

Cricket
DAVID LLEWELLYN

Sorry Surrey was never a more appropriate epithet than now, slipping, as it does, so slickly off the tongue. A summer of empty promise has spilled over into an autumn of discontent, with a large group of disaffected supporters successfully petitioning the club to hold a Special General Meeting at The Oval tonight.

Underlying their motion, which instructs the club to draw up a plan to restore the fortunes of Surrey cricket, to reinstate the

cricket committee and to raise the level of democracy and value in membership in south London, is the unspoken fear that the club is more concerned with its status as a Test match ground.

Paul Ames, secretary of the Surrey Action Group, which instigated the petition, wants to see Surrey succeed on the field. "We are showing them that the membership is not going to accept below-par standards," Ames said. "The aim of this motion is to show the management that they are accountable to the membership for the state of Surrey cricket."

Since the petition was drawn up, however, a couple of signif-

icant changes have taken place, which may well render much of the motion redundant.

Firstly, in the absence through injury of captain Alec Stewart, they discovered a more than adequate stand-in in Adam Hobbins, who brought some Southern Hemisphere steel to an under-performing side.

Secondly, Brian Downing resigned as chairman on the last day of the season to be succeeded by businessman Mike Soper. Downing, a successful businessman himself, and chairman of the Test and County Cricket Board's marketing committee, was regarded by the membership as

having more regard to the international affairs in SE11.

Soper is different. "I am not a miracle worker," he says. "Maybe not, but he is a fan. And he promised: 'I want us to spend more time with the supporters' club, because that is the official voice of the members.'"

He is adamant that whichever way the vote goes it can only be a Pyrrhic victory. "I would like to see a lot of those things called for in the motion to be done."

There is a problem over the reinstatement of the cricket committee, in that later this month or early next the Imbert Report, chaired by former Met-

ropolitan Police Commissioner Sir Peter Imbert, will publish its findings into an investigation into the running of the club and may well make recommendations which encompass the wishes of the recalcitrant members.

Surrey's management did not endear themselves to many members when they announced that the cost of the meeting would be around £15,000. They further denied their claims that they are a democratically run club when it was revealed that the whole issue was going to be overseen by their bankers, auditors and solicitors, all up-standing organisations but

hardly neutral in the eyes of the petitioners. Ames compiled the Electoral Reform Society just up the road from The Oval who revealed that they could have run the show for £3,150 plus VAT.

Soper's tone and mood are conciliatory. "If they want it to be a rough-house we'll let them have it, but I don't think it will be. I think we can meet half-way," he says. He also asserts that there will be changes in personnel before the new season - the most obvious candidate being the coach, Graeme Hogg, and possibly, although probably unfairly, Mike Edwards, the director of cricket.

SPORTS LETTERS

For the fun of it

From Mr N Todd

Sir: As a golfing nutcase, I think one particular point is worthy of mention about the Ryder Cup, which provides the "icing on the icing" so to speak.

I know the expenses are very generous and the endorsements that follow very lucrative but in what other sport are you able to gather together 24 world-class sportsmen (and two captains) and put on the sort of show that we have just been

privileged to watch and not have to pay the players to play.

Players like Faldo, Ballessteros, Pavin and Couples are there just because they want to be. The quality of play, honesty, friendship and depth of feeling extends beyond comprehension.

Yours sincerely
NICHOLAS TODD
Shirley, Surrey

Play for today

From R L Hammond
Sir: There have been lots of com-

ments by journalists and others suggesting that English supporters will not tolerate possession football, preferring the non-cerebral all-action game favoured by Charles Hughes.

I'm a Manchester United supporter and after watching the game with Liverpool on Sunday, I must confess, and it hurts to admit it, I could watch the type of possession game Liverpool play every week. If they can do it why can't the rest?

Yours faithfully
R L HAMMOND,
Lowestoft, Suffolk

Own goal?

From Ms C Inson

Sir: A successful agent Eric Hall may be, but football punditry clearly isn't his strong suit. Explaining why freedom of movement for footballers is a good thing, he breezily claims (Another View, 22 September) that if Arsenal were all Italians, French, Israelis and Nigerians, the supporters would still love it as long as they were scoring goals and winning the games.

Oh dear, Eric. Don't give up the day job.

Even the Prime Minister of Luxembourg knows that the bidding fantasy of Arsenal fans is to win the game without scoring goals.

Yours faithfully
CAROLINE INSON
Luxembourg

Letters should be marked "For publication" and should contain daytime and evening phone numbers. They should be sent to Sports Editor, The Independent, 1 Canada Square, London E14 5DL. They may be shortened for reasons of space.



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ABOVE ALL. IT'S A ROVER

SPORT

Venables must cope without Gascoigne

Football

Terry Venables is facing a selection dilemma following Paul Gascoigne's withdrawal from the England squad for next Wednesday's friendly in Norway. Gascoigne pulled out of the squad yesterday after straining a thigh muscle in Rangers' 2-1 win over Motherwell on Tuesday, leaving the England coach short of an experienced replacement.

Newcastle's Robert Lee, who was substituted for Gascoigne after 75 minutes against Colombia at Wembley last month, is the obvious choice, but Venables may opt for one of his two uncapped newcomers, Gareth Southgate and Steve Stone. But with Gascoigne - restored to the starting line-up last month for the first time since March 1994 - missing again, England's midfield resources are extremely stretched.

David Platt and Peter Beardsley are also on the injured list; John Barnes is on compassionate leave; David Batty has been dropped, while Paul Ince is yet to be recalled after pulling out of the Umbro Cup squad for personal reasons.

Venables will delay a decision on calling up a replacement, saying: "Most likely I will wait until tonight's games are out of the way and then clear up any squad rebuilding tomorrow before the rest of the players gather."

Gascoigne's injury is expected to sideline him for at least a fortnight, putting him in doubt for Rangers' Champions' League match against Juventus on 18 October. Walter Smith, the Rangers manager, who also lost striker Ally McCoist against Motherwell with a groin strain, is hopeful both will be fit to face the Italian champions. "The club doctor has said that both could be out for two weeks and that would obviously take us up to the Juventus match," he said. "But we will wait and see how they respond to treatment."

McCoist, who was named in Scotland's squad for next week's friendly in Sweden, is expected to withdraw from the national side, while Gary McAllister is also doubtful for the trip to Stockholm, after picking up a knock in Leeds' Coca-Cola Cup victory at North County on Tuesday.

Roy Keane looks certain to miss the Republic of Ireland's Group Six European Championship qualifier against Latvia in Dublin next Wednesday. The Manchester United midfielder played only 37 minutes of Tuesday's Coca-Cola Cup second leg at York after being relegated to substitute with a suspected recurrence of hernia trouble. United feared Keane would need a similar operation to the one he underwent during the

Ball not ready to renounce Rösler

GUY HODGSON

Manchester City, who need to sell players before they can buy new ones to help lift them from the bottom of the Premiership, have resisted an offer for their most marketable asset, Uwe Rösler.

Sheffield Wednesday had a bid for the German striker rejected yesterday, although the reaction at Maine Road hinted that the subject might not be wholly closed.

"The approach from Wednesday was turned down flat," Alan Ball, the City manager, said. "I've told them there is no chance of him leaving... at least for the time being." Everton are also reported to be interested in Rösler, who has said he wishes to stay with City who has yet to sign an improved contract. He also criticised Ball's tactics last week, saying too much emphasis was being placed on defence.

City's neighbours United, meanwhile, are showing no inclination to rush to the market as a reaction to their being knocked out of the UEFA and Coca-Cola cups in eight days. Their manager, Alex Ferguson, has attempted to sign Tottenham's Darren Anderton and Ajax's Marc Overmars but rejections there have led to circumspection, even though the club announced annual profits of £20m on Monday.

"We've always known we've had the money," Ferguson said. "The financial results don't change anything. We've tried for one or two players but nothing has emerged since that has interested us. In one way going out of the cups eases the situation. With just League games to concentrate on until the New Year there isn't the same drain on resources."

Celtic have signed the versatile Dunfermline Athletic youngster, Jackie McNamara, for £500,000. The Fife club are £2.5m in debt and agreed to sell after receiving an increased offer.

Celtic are to impose strict restrictions on supporters travelling to France for their European Cup-Winners' Cup second round, first leg match with Paris St Germain in an attempt to minimise the risk of disorder. Only season-ticket holders and corporate clients will be eligible for tickets for the 19 October match.

Joey Beauchamp has rejoined Oxford United, 16 months after joining West Ham in a £1m deal. The 24-year-old was unable to settle at Upton Park and was transferred to Swindon for £300,000 a few weeks later without playing a game. He returned to Oxford yesterday for a fee of £300,000.

Marlow are happy to pay their way

England's players have begun training again, the frequency of their meetings at Marlow evidence of an appropriately professional commitment to what is now becoming an officially professional game.

England may train on their turf but rugby's new world is still an age away. Steve Bale reports

Marlow, incidentally, is where a deflated Dennis Easby, then Rugby Football Union president, announced the reinstatement of Will Carling last May at the conclusion of the "old farts" affair. Carling and company will converge on Buckinghamshire about once a fortnight, play half a dozen Tests, and be paid up to £40,000 for their season's work.

In this case the juxtaposition of club and country produces a nice contrast. On the one hand, we have the evidence of how rugby has changed - but only for the few chosen by the England selectors. On the other, if English rugby means the game as a whole rather than the England team, it is no different in practice today from how it was when England first came to Marlow last year.

On Tuesday England trained behind closed doors because of the kerfuffle over Carling. On Monday Marlow had trained in public, if the public had been interested - on precisely the same turf at the Riverwoods ground. "They're faster than us and don't drop the ball, apart from that, there's not a lot of difference," Steve Bale, Marlow's grandly titled chairman of communications, said. Bale plays scrum-half, and occasionally hooker, in the third XV so he may have been joking.

An England player who keeps his place all season can expect what amounts to a match fee of £6,500, and the men of Marlow are very happy with their match fees, too: they pay £5 a week without quibble. Neither do they quibble that their international counterparts receive so much while they must give.

"No one begrudges them what they've got," Dave Vickers, the Marlow captain, said. "We know the pressures they face but there's not a single person here who wouldn't swap places. Our guys put in as much commitment as they can but when they roll up in their Fiestas and see Victor [Ugou] coming along in his yellow Lotus it does open their eyes."



The men of Marlow - (from left) coach Lindsay Renwick, captain Dave Vickers and Brendon Lock - fork out £5 a week to play

Photograph: Robert Hallam

velop their already well-endowed ground in conjunction with a five-year campaign to reach the giddy heights of National League Five South.

As they are now in the South-eastern Counties League (having last season lost their place in South-West Two after having two points docked for inadvertently fielding an unregistered player), in effect the eighth division, this would require promotion three times in five years.

The notion of paying players while this is going on is not one that crosses the minds of those in authority over Marlow. How in the world, even in this affluent part of that country, could they afford it? Yet, far as they may be from rugby's new professionalism or even its Fifth Division South, they can foresee a day when they might just have to. For now, the first team are lucky to get 200 people watching them but there is potential of a different kind. Marlow provide a game of rugby for more than 600 people of all ages every weekend. "We are a major club in terms of numbers, I doubt if there's a bigger club in

the country," said Peter Bradley, who at 44 doubles as club chairman and third-team lock. "But at our level the incentive to play for Marlow comes because you live in or near the town. We play the same game as the England players but the difference is they are professional athletes and for us to pay players would require a steady, certain income we don't have at present."

Marlow RFC costs around £70,000 a year to run, roughly two England players' contracts. The club has five pitches, a superb Thames-side location, and was responsible for the early rugby education of Paul Burnell, the Scotland prop, and two England A players, Matthew Dawson and Justin Cassell of Northampton.

But with them, and with the occasional presence of the England squad using its facilities, the big-time connection ends, even if Marlow officials are wondering if and when their amateur club may have to consider a modest step towards professionalism. "We are ambitious and we will need at some point to accommodate players financially," Blake said. "I wouldn't have a

S Africa send Twickenham records tumbling

The newly professional England players need be in no doubt about the Rugby Football Union's capacity to pay their wages after yesterday's disclosure that next month's South Africa match at the redeveloped Twickenham will break records for attendance and receipts, writes Steve Bale.

The all-seated 74,000 who will attend the match, which is sold out, is 2,000 more than used to be the capacity when most spectators stood, and 14,000 more than last season's maximum while work proceeded on the West Stand. Gross takings from the match will be £2.1m, £500,000 more than last season's Grand Slam decider against Scotland. Even the pre-Christmas Western Samoa match will bring in £1.7m and is itself almost sold out already.

The Five Nations matches against Wales and Ireland in the new year are also guaranteed to fill Twickenham, and when the University Match, Pilkington Cup final, London v Samoa, Middlesex Sevens and Army v Navy are added, the RFU's take over six months will be a staggering £11m.

There was a time when national A teams, or B teams as they were then known, were confined to uncapped players, but Wales yesterday moved almost as far from that concept as possible when 12 internationals were among those picked to play the Fijians when they begin their tour at Bridgend on 21 October.

The London Irish lock Kevin Gallagher has had surgery to stop internal bleeding 11 days after a punch gave him a broken nose and cheekbone and a ruptured vein in the forehead. "This is the worst incident I have heard about in the whole of my career," Clive Woodward, the Exiles coach, said. "Whoever did this should never play rugby again."

An investigation by Waterloo got nowhere because no one would own up. Keith Alderson, the club secretary, said: "It appears there was a fracas, but there is no way anything can be substantiated. Our coaching staff have spoken to all our players and they have all denied any involvement."

French rugby union internationalism yesterday opened discussions with Bernard Lapasset, president of the French federation (FFR) about what payments they can receive this season. "We shall merely ask him to allow us to be involved in commercial operations without asking for the federation's approval," prop Laurent Benezec said.

Montgomery looks to stay on top

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However, the Scot feels he may have to move up yet another gear to thwart Sam Torrance and Bernhard Langer and finish at the head of the Volvo Order of Merit for the third successive year.

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Compulsory collapse for the Russians

Gymnastics

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Desmond Haynes, the former West Indies captain, has been appointed Sussex's first-team coach on a three-year contract. The 39-year-old, who played in 115 Tests for his country, will take up his new position before the start of next season.

Indurain conquers the Andes

Miguel Indurain, of Spain, five times a winner of the Tour de France, won his first world title yesterday, sweeping to victory in the road time trial at the World Championships in Colombia.

Indurain completed the 43-kilometre course from Paipa to Tunja through the mountains of

the Colombian Andes in 55min 30.4sec. He finished nearly 30 seconds of his nearest rival, compatriot Abraham Olano, who finished the course in 56:19.1. Germany's Uwe Peschel was third in 57:33.9.

It was quickly clear that Indurain, who started last, would win the race comfortably as he completed the first 21km in

24:21.0, compared to Olano's 25:24.7. Despite his success in long events, the closest Indurain had come to a world title was in 1993, when he was second in the road race.

The World Championships only last year, when it was won by Britain's Chris Boardman, who is currently injured.

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He also said the FFR had only Fr140m (£18m) a year to pay clubs, officials and players. About Fr20m would be invested in paying the players, he added. "There is no way we can compete with what Australian players will get," he said, referring to reports of Wallaby contracts worth over £100,000 a year. Lapasset denied a rumour that the payments a French player is allowed to receive annually would be limited to Fr300,000.

The main bone of contention between the FFR and the players is likely to be the intention by some internationalists to launch an association to defend their rights. "We want to create an association of players to respond quickly and efficiently to the queries of sponsors," Benezec said.

TODAY'S NUMBER

6.9m

The number of US dollars (£4.5m) on offer in prize-money at the Australian Tennis Open in January. The singles champions will each receive £281,000, a rise of 17 percent on 1995.

SPORTING DIGEST

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Davies plans return to union at Cardiff

STEVE BALE

Rugby Union Correspondent

Jonathan Davies met with Gareth Davies, the Cardiff chief executive, yesterday and expressed his willingness to return immediately to rugby union if Warrington could be persuaded to release him from the remaining 21 months of his rugby league contract.

There was even a suggestion that the stand-off had already signed - albeit provisionally - for Cardiff but, whatever hap-

pened, he was surprisingly upset that news of the meeting of the Davieses had leaked out. It is clearly a sensitive matter to be talking to one club in one code while contracted to another in another.

Davies, who spent his senior union career with Neath and Llanelli, has also been linked with Harlequins. It would be a historic day if the transition took place and, though he is clearly 33 and has been gone nearly six years, by far the most encouraging development in Welsh rugby during all that time.

Not long ago such a possibility would have been unthinkable. Davies's way has been cleared by the International Rugby Football Board's acceptance last weekend of a free gangway from rugby league into the newly professionalised rugby union and already the Australian lock Garlick Morgan has taken advantage.

The Rugby Football Union in England favours a six-month stand-down for converts - thereby making the Harlequins option impossibly unattractive - but the Welsh have no such compunc-

tion and would be only too happy to have Davies and anyone else whenever they could come.

He will not be alone. "Jonathan will set the ground-rules for everyone else," David Young, like Davies in Cardiff for the Rugby League World Cup, said. Phil Ford, another member of the Welsh squad, said yesterday during a visit to the Arms Park that he intended rejoining union at the end of the tournament. Ford would be keen to join his brother, Steve, at Cardiff, with Pootypridd a possible alternative.

Warrington will determine in the next week whether to release Davies and for how much. Cardiff's interest has caused them to appreciate that their asset has a value over and above the salary they would save but Davies appears to have made up his mind and Cardiff are impatient to sign him before the Heineken League cut-off point at the end of the month.

While Gareth Davies was preparing to meet Graham Armstrong, the Warrington chief executive, Peter Higham, the chairman, was declaring that

Cardiff had made no approach and no negotiations were taking place. Which used to be the way chairmen talked when they were about to conclude a major signing from rugby union.

However, Higham did make his club's position clear: "Jonathan is under contract until 30 June 1997 and if he was to leave before then we would expect to be compensated as we would in the case of any player."

This may be less of a stumbling block than it appeared yesterday. "We told them quite clearly that there is no big mon-

ey available in Wales to buy out contracts," Gareth Davies said. "The position is that they have to ask themselves whether they have an unhappy player not performing to his best or whether they allow him to return."

Yesterday Jonathan Davies' only comment, on BBC Radio was: "If I'm going to make a move again it's back to Wales. The family want to come home and hopefully it can be sorted out on friendly terms."

John Dawes, the former Wales and Lions captain and coach, has already called for his



Davies: meeting in Cardiff

reinstatement, not just as Wales's outside-half but as captain as soon as he is re-signed. Marlow happy to pay, page 31

'Hauge hitch' in Bohinen transfer

Football

PHIL SHAW

Blackburn Rovers' bid to sign Lars Bohinen, Nottingham Forest's Norwegian international midfielder, was close to collapse last night because of the possible involvement of the disgraced agent, Rune Hauge, in the proposed £700,000 transfer.

Hauge, whose licence was suspended by Fifa, football's world governing body, after his role in the George Graham affair, does not officially act for Bohinen. The player's agent when he joined Nottingham Forest from Young Boys Bern, two years ago was a Swiss lawyer, Andy Gross, but speculation about Hauge's part in brokering his projected move to Ewood Park prompted Blackburn to seek clarification from the FA before proceeding.

Both Blackburn and Bohinen would face severe penalties from Fifa if the deal went through and it transpired that Hauge, a fellow Norwegian, had any sort of role in it. An FA official warned last night that the player could be banned for 12 months and fined 50,000 Swiss francs (£28,000).

Among the penalties Blackburn might face were a fine of 100,000 Swiss francs, a worldwide ban from all transfer activity and possible suspension from football. In the circumstances, the champions seem certain to put their pursuit of Bohinen on hold until they are certain of Hauge's role.

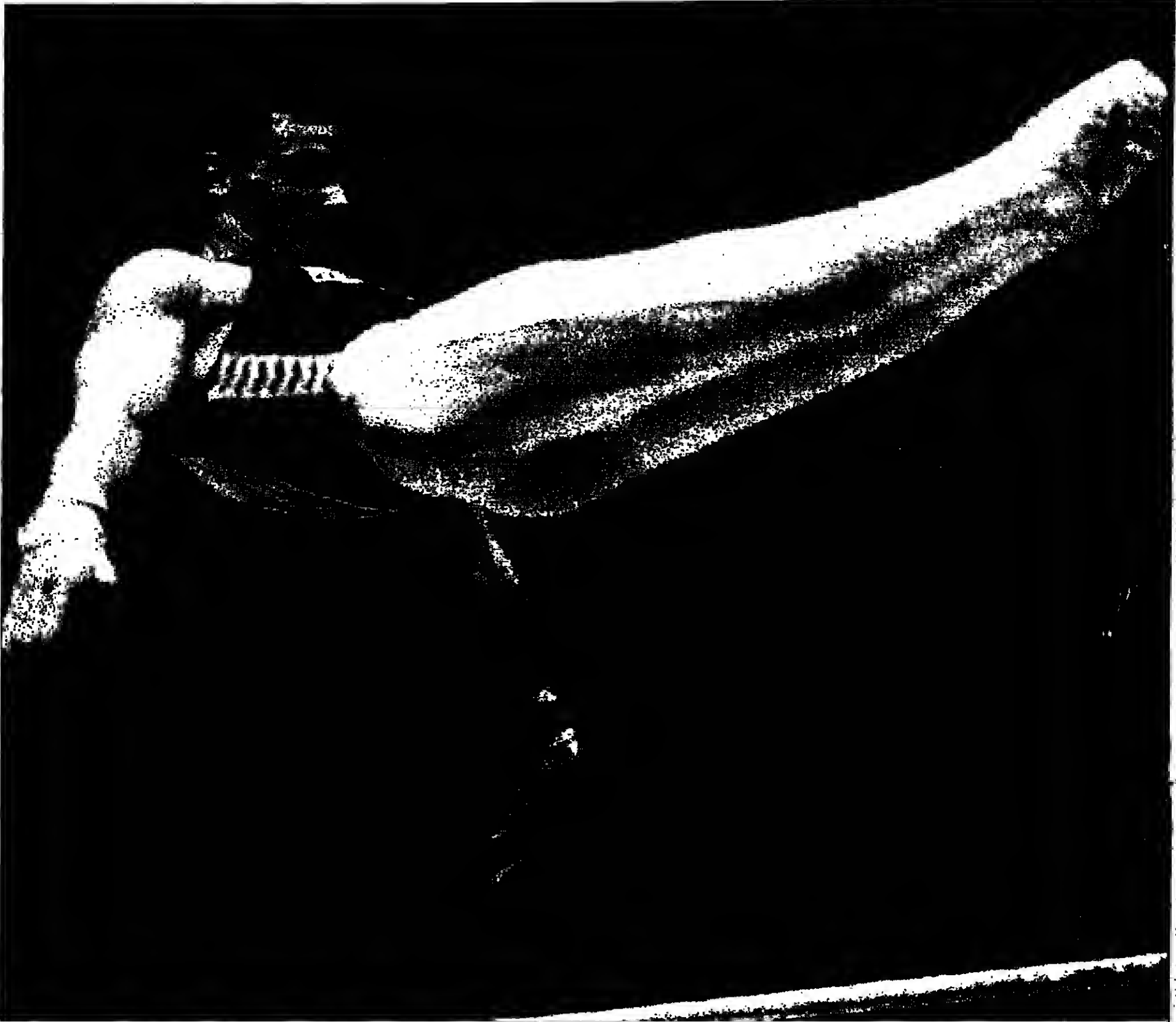
The FA official added: "We have written to Blackburn to ask for their observations on Mr Hauge's alleged involvement." However, the Forest manager, Frank Clark, cast doubt on suggestions that Hauge might be working behind the scenes. Clark confirmed that Hauge had not been involved when Bohinen came to Nottingham from Bern. "I've never dealt with Mr Hauge in connection with Lars at any stage of his time with us," he said. "I'd be very surprised if he was sorting this one out."

One transfer that did go through yesterday saw Ruel Fox complete his £4.2m move from Newcastle to Tottenham. "There was no hurry [to complete the deal] as Ruel could not play in our Coca-Cola tie at Chester and we don't have a League game until Saturday week," Gerry Francis, the Spurs manager, said.

"Ruel is just what we need," Francis added. "He's a quality player capable of playing on either flank or down the middle. He proved his capabilities last season when he hit 10 goals in 40 League games to finish only a couple behind Newcastle's leading scorer, Peter Beardsley."

The 27-year-old Ipswich-born player was on the verge of England honours after playing a leading role as Norwich City finished third in the Premiership in 1993, and subsequently enjoyed a successful UEFA Cup run. He moved north to Newcastle for £2.25m in February last year.

Gascogne blow, page 31



Germany's Andreas Wecker goes airborne at the World Gymnastics Championships in Sabae, Japan, yesterday. Details, Sporting Digest, page 37

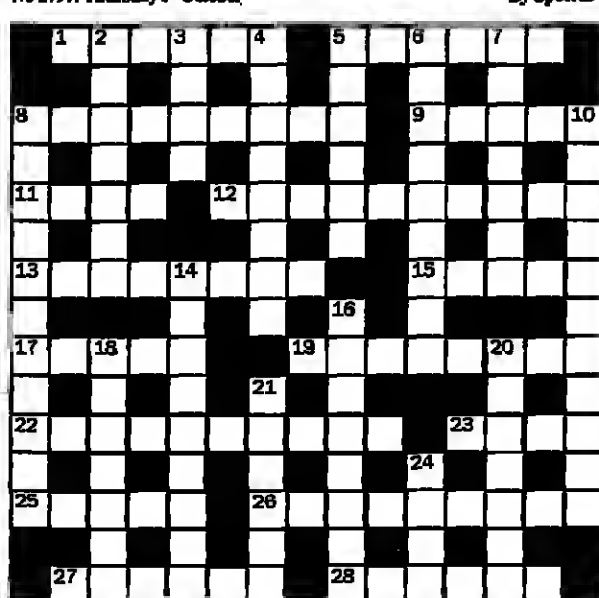
Photograph: Reuters

THE INDEPENDENT CROSSWORD

No 2797, Thursday 5 October

By Stephen

Wednesday's solution



SHORTCUT AGHAST
W L O N R R E
O R G A N I Z A T I O N
R S G E S U O M
D E C A R A T I O N
D R S O U P D
A V A S T O R P H A N A G E
N Y R N L G R A
C Y C L A M A T E E L A N D
E W U S E S W
U B A E N O T I
G I O T T O A C M I R I N G
L D I E S Z H
I N S E C T A D H E R E N T

- ACROSS**
- Old financier certain to have a place in the city (6)
 - Backing for newspaper the Viennese should hold in esteem (6)
 - Bland, unoriginal piece sure to come in for a pasting (9)
 - A desert's sent back - it's on the cool side (5)
 - Fool takes on dangerous bends no matter what (4)
 - Chips, for instance, produced by a virtuoso? (4, 6)
 - Phone located by the fence? (8)
 - Light from church on hill (5)
 - Living quarters about to be provided for chaplain (5)
 - It makes you sick generally - no end to it (8)
 - Problem involving an inordinate number of units? (10)
 - Long-range weapon has South African endorsement (4)
 - For clearing - a collection of violin strings, about a pound (5)
 - Make statutory provision after member is dead (9)
 - Goods hastily disposed of, in the main (6)
 - Comeback for Jerusalem pressman is rumoured (6)
 - Having organic disease caused by chewing pencils? (7)
 - Ready to complain, having lost head (4)
 - Duplicated English exercise externally assessed (8)
 - Open University student almost swallowed by fish - not an everyday occurrence (6)

- DOWN**
- Assurance concessionaire will be enriched by gold's upturn (9)
 - He'll usually have several layers around him (7)
 - Spell disaster? (4, 5)
 - Extreme article on beer evokes outstanding support (11)
 - Church in middle of island stands on these rocky, glacial features (3, 6)
 - Requirement for photography exhibition put on by Enfield, maybe? (5-3)
 - Passing with no difficulty after a month? (7)
 - I'm embraced by girl with ugly face (7)
 - Race attack involves leading characters in loathsome organisation (6)
 - Fizzy drink bottled in Hastings (4)

Edmundo in new fracas

Overseas football

Edmundo, the Brazilian striker who is nicknamed "The Animal", was involved in a brawl as a South American Supercup quarter-final ended in an ugly brawl.

Flamengo were 3-0 up against Velez Sarsfield of Argentina in injury time on Tuesday night when Edmundo - who had scored one goal and set up another - slapped defender Zandona after being struck by the Argentinian's elbow in a challenge for the ball. Zandona responded with another slap and then punched the Brazilian striker to the ground. Within seconds, the match degenerated into a fight with players and coaching staff from both teams swapping punches and lung-fu kicks.

Dozens of police separated the two sides before the referee, Ernesto Filippi, ended the match.

"If they want a fight, then

they'll get a fight," Washington Rodrigues, the radio commentator turned Flamengo manager, said after the match.

Edmundo's striking partner, Romario, apparently was prepared for the punch-up. "This is the kind of thing we expect from the Argentinians," he said.

As well as Edmundo's goal, an own goal by Pellegrino in the first half and a late strike by Romario gave Flamengo their 3-0 win and a 5-2 aggregate victory. The Supercup is contested by former winners of South America's Copa Libertadores for national champions.

In Germany, Uwe Seeler, the former international striker, yesterday took over as chairman of his old club, Hamburg, with the aim of steering it out of its current crisis. A statement issued by Seeler and the club's treasurer, Gerhard Flom, one of two board members who decided to step down to make way for a group led by Seeler, said

the changes were purely in the interests of the club, and that the move by the former player was not inspired by emotion.

Seeler, 58, who played for West Germany against England in the 1966 World Cup final and shares the record of 21 World Cup appearances, will take over on an interim basis pending a 27 November annual meeting.

Hamburg are next to the bottom of the Bundesliga without a win all season, and speculation is rife that coach Bodo Mohrmann is about to be sacked, possibly in favour of his deputy and former Hamburg player, Felix Magath.

Seeler is still a hero at the club where he remains the all-time top scorer with 137 goals. Hamburg, who won the European Cup in 1983 when Magath scored the goal that beat Juventus in the final, have been league champions seven times but have won nothing since lifting the German Cup in 1987.

Hendry secures swift victory

Snooker

Stephen Hendry, the world champion, defeated Terry Griffiths for the 15th time in succession to reach the semi-finals of the Thailand Classic in Bangkok yesterday.

Hendry secured a 5-0 win in 70 minutes and will meet either John Higgins or John Parrott for a place in the final of a tournament which carries a first prize of £40,000.

"I'm not as psyched up for this event as I was for the Regal Masters at Motherwell," Hendry said after the whitewash. "But to stay in that sort of mood week in, week out is very difficult. It also doesn't mean that I don't want to win over here. I reckon I have as

good a chance as anyone of picking up the trophy on Saturday."

Hendry scored breaks of 83, 68, 60 and 40 as he stroled to victory against the new-look Griffiths, who is now wearing glasses. Hendry also had a 5-0 win in his last meeting with Griffiths, in the 1992 Dubai Duty Free, and in overall frames between the pair holds a 114-38 lead.

The unheralded Dave Finbow stunned James Wattana and his local fan club by knocking out the home favourite. It was the second-round result the Thai fans did not want as Finbow, a 27-year-old from Worcester, won 5-4.

Finbow, ranked 47th in the world, led 3-0 but after seven frames was one behind. A break

of 107 then forced the decider before he wrapped up the match 74-35.

"Considering where I was and what happened, this has to be a very special win for me," Finbow said. "But I couldn't believe some of the shots James played. He had the first frame in the bag, but then somehow gave me the chance to win it on the black."

"I thought the crowd might be a little partisan, but they were great throughout the match and applauded when I played some good shots."

Joe Swail, a former English amateur champion, defeated Jimmy White 5-3 to claim his first victory over the world No 7 in four attempts.

Results, Sporting Digest, page 31

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